PRESIDENTIAL DISCRETIONARY BUDGETARY SUCCESS IN CONGRESS, 1955-1992

By

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With the precedent of an activist presidency established by Franklin Roosevelt, modern presidents are expected to formulate legislative priorities and to pass these priorities in Congress. This expectation presents a difficult paradox. In order for the presidency to be viewed as a viable institution, presidents must thrive in another institution (Congress). Examination of presidentially initiated priorities is of theoretical importance because the success of the presidential legislative agenda may determine the success of the presidency itself as a governing institution in the modern era.

Thus, in studying the modern presidency, scholars are called upon to develop empirical measures that can gauge the success of presidential initiatives in Congress. Once these measures are developed, the environmental circumstances that contribute to the success of Presidents in Congress must be evaluated as well. Building on the literature, this project will take up both of these challenges.

Using data from the Office of Management and Budget, this dissertation will examine annual presidential budgets from the Eisenhower to Bush administrations. The dependent variable is developed by taking the difference between presidential budgetary requests and the Congressional response to those requests. With the dependent variable established, hypothesized relationships are tested using political, institutional, and economic variables. The significance of these variables depends upon the policy area highlighted and the level of aggregation that is examined.

CHAPTER 1
INTRODUCTION

In describing presidential interaction with Congress, Article II section III of the Constitution states that the President may "recommend to their Consideration such Measures as he shall judge necessary and expedient" (Greenberg and Page, 1993, p. A20). Thus, the Constitution gave presidents the option of becoming engaged with the legislature in the formation of public policy.

With the precedent of an activist presidency established by Franklin Roosevelt, modern presidents are expected to formulate a public agenda and pass this agenda in Congress. This expectation presents a difficult paradox. In order for the presidency to be viewed as a viable institution, presidents must thrive in another institution (Congress) in which they are viewed as outsiders (Bond and Fleisher, 1990).

Thus in studying the modern presidency, scholars are called upon to develop empirical measures that can gauge the success of presidential initiatives in Congress. Once these measure or measures are developed, the environmental circumstances that contribute to the success of presidents in Congress must be evaluated as well. Building on the literature, this project will take up both of these challenges.

The area of presidential-legislative interaction on which this paper will focus is the annual Budget of the United States. According to the Budget and Accounting Act of 1921, the President is required to submit to Congress a unified budget every year that lists all governmental expenditures and revenues. Since the budget is the only unified list

of presidential priorities sent to Congress from the executive, it is a natural point of inquiry. In fact, some scholars trace the beginning of an institutionalized presidency back to 1921 when the President was first required to submit a budget (Moe, 1985). The budget is a detailed list of the nation's priorities (Schuman, 1993). While other analyses of budgeting presents it as an incremental process that assures accommodation, this project offers that the budgetary process is an institutional conflict of priorities between the President and Congress. It is perhaps the ultimate test of presidential-legislative interaction since the power of the purse is the primary source of legislative authority (Wildavaksy, 1988) If presidents can make it in the budgetary area, they can make it anywhere.

The outline of the study is in the following format. Chapter 2 will examine the validity of other measures of presidential success in Congress. Chapter 3 makes the analytical case for examination of budgeting as a valid measure of presidential success. Chapter 4 focuses on the traditional explanatory variables of presidential success in Congress such as presidential popularity, party unity in Congress, ideology in Congress and offers other possible variables that may affect the success of presidential initiatives in Congress. Chapter 5 examines presidential success in budgeting at the macro level. Chapter 6 and 7 examine success at lower levels of aggregation.

The goal of this study is to add to the literature on presidential success in Congress by placing the federal budget as a central arena in the institutional struggle between the executive and legislative branches of government.

CHAPTER 2
ALTERNATIVE MEASURES OF PRESIDENTIAL SUCCESS

Before the introduction of a measure to gauge presidential budgetary success, the strengths and weaknesses of other measures of presidential success in Congress must be reviewed. The quantitative study of the presidency is rapidly developing, and this project will attempt to further this development.

In the earliest quantitative studies of the presidency, the best known measure of presidential legislative success was the Congressional Quarterly boxscore. The score tallied Congressional support for pieces of legislation on which the President had taken a position. Congressional Quarterly determines if a President takes a position on legislation by analyzing public presidential documents such as press conferences and written messages to Congress (Congressional Quarterly Almanac, 1973). The boxscore was discontinued in 1975 because of the numerous methodological problems it presented. It included all the roll calls in which the President had taken a position even if they were relatively unimportant or noncontroversial. Thus, a vote on arms sales to Israel would be less important to the score than three votes on a special grant to Arizona Indians. Reliability problems were also evident in the measure because Congressional Quarterly's editors had a difficult time determining whether the Congress had changed the President's proposals to such an extent that they could no longer be classified as presidentially sanctioned initiatives (Bond and Fleisher, 1990).

Congressional Quarterly now publishes a presidential support score that is a tally of the percentage of the time individual members of Congress agree with the President when he takes a position on a roll call vote. To determine if the President has taken a position on a certain piece of legislation, Congressional Quarterly reviews the reports of the Office of Management and Budget that classify certain legislative proposals as being in line with the President's program (Congressional Quarterly, 1993). By taking the mean of the individual scores, presidential support scores are computed for both houses of Congress. The measure offers many of the same problems as the boxscore. All votes are given equal weight, and many noncontroversial votes are included.

Moreover, this paper seeks a measure of presidentially-initiated proposals. Many of the Congressional Quarterly roll call votes are reaction votes. A Congressional priority and a presidential priority are not the same concept. A President may have taken a position on a vote, but that is not the same as championing a particular position. Congressional action on a presidentially initiated proposal carries much more theoretical value in studying presidential success.

The roll call measure has been further cultivated and refined to address the weaknesses of the measure (Edwards, 1989). This attempt at improving the index eliminated multiple votes on the same issue and non-unanimous votes. The index was also limited to key votes. A key vote is described by Congressional Quarterly as 1) an issue of major controversy 2) a test of presidential political strength 3) a decision with serious impact for the nation (Congressional Quarterly, 1989).

While the revision of the roll call index is helpful in studying party and individual house support for certain roll votes, it still possesses several flaws. The roll call index again does not separate reaction votes from presidentially initiated endeavors. For example, the mere fact that civil rights legislation came up for consideration during the Reagan and Bush years represents a political setback for both presidents. They were forced to take positions on pieces of legislation that were not policy priorities for either President, and thus the legislative focus was diverted from their own agendas. The votes may have been key, but they were not part of either President's agenda.

Other scholars have also used roll call votes to determine presidential success in Congress. Bond and Fleisher (1990) in a comprehensive study of seven presidencies formulated presidential success rates for crucial votes. These important votes included key votes and other votes in which congressional turnout was high and the vote was close While this emphasis on important votes is a substantial addition to the literature, these votes are also not exclusively part of presidential initiatives. A vote may be important to members of Congress and still not be a presidential priority. However, Bond and Fleisher do attempt to examine success by policy area, which is of vital theoretical significance since presidents may possess different levels of influence in Congress according to the policy area in which they are participating (Wildavasky, 1975; Hill and Plumlee, 1982).

Peterson (1990) has rejected the aggregate roll call rates as accurate indicators of presidential success in Congress. Instead, he examines the content of the roll call bills that have been highlighted by Congressional Quarterly in developing the roll call rate. If the bill offered some substantial change of policy, it was included in his examination of

presidential success. This examination also suffers from the inability to isolate presidential priorities.

Scholars who have attempted to measure the success of presidentially-initiated proposals have searched for the President's agenda in the State of the Union and other public speeches. Jeffrey Cohen (1982) examined the State of the Union addresses in twenty presidencies and highlighted positive proposals that the different presidents offered. A success rate was derived by checking the U.S. Statutes at Large from the same sessions of Congress to see if a particular proposal had become law.

Paul Light (1983) also attempted to develop a measurement of presidential agenda success by reviewing legislation that the Office of Management and Budget records as in the same categories as the President's legislative priorities. Light then narrows that list of legislative proposals by matching the subject matter of these bills with the State of the Union address of different presidents. If the subject matter of a particular bill was mentioned in the State of the Union address by the President in the same year the bill was proposed, then the bill is part of the President's agenda. Light then traces this set of bills through Congress to develop an agenda success rate.

These measures are suspect since presidents often mention issues in major addresses to satisfy a particular constituency with little intention of proposing legislation. Moreover, policy proposals involving the same subject matter are common in Washington. Crediting the president with a legislative success because a law is enacted that covers a subject the president has addressed is likely to raise questions of validity.

In sum, the measures reviewed have these deficiencies: 1) The roll call measures do not isolate presidentially initiated legislation. 2) When scholars do attempt to test presidential-agenda success in Congress, the President's priorities are difficult to define and to quantitatively measure. 3) Most previous measures of presidential success or influence have not separated the President's agenda by policy area. By examining the Budget of the United States submitted by the President, this study attempts to overcome these obstacles. The budget itself is initiated with the President, and the spending and taxing levels that are included in the budget reflect the President's priorities (Schuman 1993). Also, the President's budget is presented by policy function so presidential success can be examined in different policy areas. How Congress revises or approves these numbers should be an appropriate test of the success of presidential priorities.

CHAPTER 3
THE FEDERAL BUDGET AS A TEST OF PRESIDENTIAL SUCCESS IN CONGRESS

Budgets and Politics

If other measures of presidential success have their weaknesses, can an examination of presidential influence in the budgetary process overcome these weaknesses and make a contribution to the literature? Budgeting portrays the image of faceless bureaucrats figuring obscure formulas in determining budgetary numbers. Is this sometimes obscure process the proper venue to judge presidential political influence in Congress?

To answer these questions, budgetary politics must be placed in its proper perspective. "Budgets establish winners and losers in policy debates that shape the future of our collective society (Koven, 1988, p. 3)." The grand ideas of attacking poverty, maintaining the peace, and aiding other countries can only be brought into reality through a budget. The budgetary process "defines the playing field on which power and status are ultimately determined" (Koven, 1988, p. 3). Several definitions of politics provided by political theorists support this idea of the importance of budgetary resources in assessing political influence. Harold Lasswell defines politics as "who gets what, when and how" (Caporaso and Levine, p. 8) All of the answers to the questions of who, what, when, and how are answered in the budgetary expenditures. David Easton defines politics as "the authoritative allocation of values" (Caporaso and Levine, p. 8). Budgets force allocation of particular policies and ideologies. Finally, Bernard Crick calls politics "the

allocation of particular policies and ideologies. Finally, Bernard Crick calls politics "the conciliation of conflicting interests" (Caporaso and Levine, p. 8). Again, budgets also fit nicely into this conceptual framework. Nowhere in the study of government policy except the budget may the researcher find a place where so many conflicting interests must be handled simultaneously.

Budgetary politics offers unique challenges to political actors. First, budgets must allocate goods and services that the free market is unable to provide (Schier, 1992). The market may not provide such necessities as national security, access to health care, and environmental protection. Budgets are the expression of government to decide which of these unmet needs will be addressed.

Second, government budgets may also redistribute wealth to ensure a minimal standard of living for all its citizens. The coexistence of a minimal standard of living and a truly free market will conflict. Government attempts to address this imbalance through budgeting. The existence and the amounts for programs such as low interest loans for college education, food stamps to feed the hungry, and assistance to poor single mothers are determined by budgetary programs.

Third, government budgets must act as stabilizing forces in the macro economy. A definition of stabilization is using the budget as a device of offering high employment and low inflation with some economic expansion (Musgrave and Musgrave, 1984). In the twentieth century, government spending has become a substantial part of the Gross National Product in the United States and taxes have increased to pay for this spending; thus the effect of government taxing and spending is enormous. Management of these

taxing and spending decisions may help determine the general health of certain sectors of the economy.

The third goal of stabilization has made the relationship between the budget and policymaking on the federal level even more vital to political actors. This stabilization process gained special prominence after WWII with the emergence of the economic theories of John Maynard Keynes. Keynes ideas were a challenge to an unregulated free market system. Keynes believed society's true potential could not be achieved without government management of the economy (Caporaso and Levine, 1992). Keynes ideas were a response to Marx who believed that the capitalist free market system would always experience a series of economic difficulties with unemployment and inflation. (Caporason and Levine, 1992).

Thus the political actors and processes that create the budget have a two-way relationship with the national economy. The financing and taxing decisions that political actors make may affect the long term health of the economy. Moreover, the status of the economy may affect the election outcomes of political actors. The belief in this latter proposition may lead elected officials to attempt to manipulate macroeconomic outcomes for short-term political gain (Tufte, 1978). Downs (1975) argues that democratic governments seek to maximize political support in the form of votes, and thus the actions of public officials reflect this maximization.

In sum, budgets are much more than a dry compilation of numbers. Instead they are political challenges for elected officials to balance the allocative, redistributive, and stabilizing functions of managing resources. Finding the proper combination of these

three functions provides the venue for ordered conflict that Schattschneider (1960) believes is the basis of political interaction.

The Budgetary Process

The Budgeting and Accounting Act of 1921 shifted the responsibility of initiating budgetary proposals from the legislative to the executive branch. The President was mandated by this law to present a unified detailed budget document to Congress listing recommendations for spending and taxing proposals. These presidential recommendations are known as the Budget of the United States. Budgets are presented on the basis of the fiscal year. Fiscal years ran from July to July before 1976 and October to October after 1976. The President's recommendations are due in February. Thus, the budget for FY 1995 was due in February of 1994.

To devise spending proposals, the budgetary agency that serves the President (the Bureau of Budget before 1970, renamed the Office of Management and Budget (OMB) in 1970), sends guidelines to all government agencies under executive control in the Spring before the year of budget submission (Spring of 1993 for FY 1995). In the Fall before the year of budget submission, agencies submit their requests to the OMB. The OMB determines if the agencies' requests are in accordance with the President's goals. At this stage, the President may review the agencies' requests and make final judgments on spending proposals. Agencies also can appeal to the President to alter recommendations before the final budget is submitted the following February.

Congress reviews Presidential recommendations and submits these recommendations to the various appropriations committees in both houses if the

spending category is up for annual review.[1] Both houses of Congress must pass the different appropriation bills (usually thirteen) so that government agencies may continue functioning. If appropriation bills are not passed before the beginning of the fiscal year, continuing resolutions must be approved to keep the government working.

This basic description of the budgetary process presents several theoretical questions. Do agencies really control this process? Does the President view the budget as an important policymaking tool? Does Congress alter executive branch requests or are they generally accepted? These important inquiries are examined below with review of the budgeting literature.

Theories of Budgeting In the Political Realm

The dominant idea to explain the political process of budgeting has been the theory of incrementalism. Fenno's Power of the Purse (1966) was a seminal study of the appropriations process. In his examination of twenty-nine government agencies, Fenno found that the budgetary outcomes for these agencies were generally predictable because most agencies received an incremental increase over the previous year's budget. The budgetary process was described as "bottom up" where allocations for agencies were initiated in agencies and that allocations for agencies were independent of each other (Berry and Lowery, 1989, p.448). Incrementalism can serve to minimize conflict in the budgetary process "because the safest way of deciding who gets what is to give everyone what they received in the prior year " (Koven, 1988, p.5).

[1] Mandatory programs or entitlement programs such as Social Security are not up for annual review. The levels for these programs are decided by the taxing committees in Congress (Ways and Means in the House and Finance in the Senate). Final amounts for these programs are determined by the number of citizens who meet eligibility criteria set by legislation that is authorized by the taxing committees. Other programs are annual appropriations but these appropriations are automatic.

Incrementalism makes the explicit assumption that real shifts in policymaking do not occur through the budget. If budgeting is a predictable process, political leaders that seek change must attempt this change through other policy vehicles. Newly elected political officials attempt to alter, initiate, or end certain public policies. A change in the presidency should bring about new policies. A partisan change in the Congress should signal a change in policy direction. The theory of incrementalism suggests that if true differences in policy occur, they do not occur in the budget-making process. While undoubtedly incrementalism may explain the budgets of certain government agencies, it should not be accepted as the sole theory of budgeting.

Incrementalism has come under continuous scrutiny. Natchez and Bupp (1973) found that the Office of Management and Budget does not blindly accept the previous year's levels of spending when devising an agency's totals in the context of the President's budget. Moreover, Gist (1977) offered evidence that the base spending (previous year's totals) for agencies has been altered numerous times.

Incrementalism also ignores the critical separation between discretionary and nondiscretionary spending. In the data used to advance the idea of incrementalism, this crucial distinction is not made. Nondiscretionary spending involves programs such as Social Security and Medicare that do not undergo automatic review by Congress. These programs are entitlements so that if larger groups of people become eligible for these programs, the programs increase automatically. These programs can only be altered when Congress changes the qualifications for these programs. Discretionary programs such as the operating budgets for most government agencies come under automatic

annual review by Congress and are reviewed through the appropriation committees. Unless the authorizing legislation is being reviewed for nondiscretionary programs, little conflict exists in the budgets for these programs.[2] However, discretionary programs undergo an annual battle for funding in which conflict may be present. Thus, any true examination of the budgetary process must make this separation.

Analyzing the theory of incrementalism is important for this project since incrementalism implies a lessening of conflict. Logic dictates that the smaller the amount of conflict in budgeting, the smaller the amount of variation. Without variation, little is left for the researcher to attempt to explain. While incrementalism attempts to explain the year to year difference in budgeting (an appropriation for the NASA may be $21 billion dollars in FY 1992 and $22 billion dollars in FY 1993), this project examines intra-year differences(President may propose $15 billion in FY 1992 while Congress appropriates $20 billion in FY 1992). Incrementalism does explain part of the budgetary process, however, it is not the exclusive explanation of the process; because variation does exist in budgeting, and this variation is apparent in an intra-year examination of budgeting.

Although incrementalism has remained prominent in the literature, prescriptive reforms have been offered by scholars to bring rationality to budgeting. Rationality in this context means that resources should be allocated for clearly defined and needed purposes. One idea of reform in budgeting is Planning, Programming, and Budgeting (PPB). This system was first used by the Defense Department in 1961 and then adapted

[2] As this paper is going to press, the new Republican majority in Congress is promising a serious review of entitlement programs especially Medicare and Medicaid.

by all agencies in 1965. Overall goals were developed for the department with costs and benefits attached to each goal. Thus, budgeting was to be performed on an overall basis not by line item. PPB lost favor in 1971 because government agencies could not agree on basic goals. Moreover, Congressional committees were not ready for the overall approach since appropriations were separated very specifically in Congress. Another form of PPB was Management by Objective (MBO). This system was developed in the Nixon administration and also called for budgeting by broad outlines. It met the same fate as PPB. Neither the executive branch or Congress could adapt to the new rationality.

Another type of rational budgeting is Zero Base Budgeting (ZBB). Attempted by the Carter administration, it required all government agencies to start at zero every year in budgeting. Agencies were required to suggest budgets for three levels of service: reduced, current, and enhanced. The three levels of service simply served to confuse agencies and were generally ignored by Congress.

A general weakness of both the incremental and the rational approaches is that they both discount the policymaking function of the budget. As different administrations gain control of the executive branch, it logically follows that different policies will be enacted. Thus, in order to arrive at a partial explanation of budgeting, these political differences must be taken into account. A general thesis of this study is that budgeting is part of the institutional battle between the President and Congress. Presidents with the institutional help of their staffs and the Office of Management and Budget attempt to enact their initiatives and ideas through the budget. Congress as an institution made up of political individuals responds to these initiatives in a political context. Accordingly,

Congress responds to different presidents differently. The literature supports the thesis of presidential involvement in budgeting and the Congressional response to this involvement.

President and the Budget

The responsibility to budget is the responsibility to lead. Moe (1985, p. 246) called the mandated requirement by the Budget and Accounting Act of 1921 that the President submit a detailed list of budgetary recommendations the beginning of the "institutionalized presidency." In effect, the President became responsible for the allocative, redistributive, and stabilizing functions of the budget. While Congress passes the final appropriations that become outlays, the President's budget is the only unified, detailed document that directs how the government functions. As described above, the President reviews agencies requests for spending and directs the OMB to alter the requests to fit his fiscal and programmatic goals.

Mowery, Kamlet, and Crecine (1980, p. 399) made an extensive review of the executive budgetary process in the Eisenhower, Kennedy and Johnson administrations. While the three presidents had different management styles, they all were involved in the budget- making process and viewed it as vital instrument to enact their fiscal objectives and their programmatic initiatives. The President is viewed as the "Coordinator" of the budget process balancing the needs of individual programs and agencies with the fiscal impact of the budget on the economy. Without presidential leadership, the budget process.

would dissolve into an unregulated demand for resources by government agencies and their advocates.

Other examinations of individual presidents have documented the importance of presidential involvement in budgeting. Although viewed as a passive President, Morgan (1990) details how Eisenhower consistently attempted to control the budgetary process by insisting on restraint in federal spending. Eisenhower attempted to restrain spending despite criticism from liberal Democrats who wanted more social spending and conservative Republicans and Democrats who argued for more defense spending due to the Cold War.

Ippolitio(1990) analyzes the difficulty Johnson encountered in attempting to balance his desire for Great Society programs along with his commitment to escalate the war in Vietnam. Moreover, much of the increase in the domestic budget was due to direct payments to individuals (Medicare) that were difficult to alter or reduce. Johnson finally realized that his guns and butter approach was fiscally impossible; thus forcing him to request huge supplemental defense payments in FY 1966 and FY 1967. The tensions between Johnson's domestic and defense policies were highlighted in his budgetary proposals.

The federal budget as a centerpiece of policymaking in the Reagan administration is well-documented. Stockman (1986) details how as director of the Office of Management and Budget, he was given wide latitude in the budgetary process to execute the President's basic goals of cutting taxes, decreasing domestic discretionary spending, and vastly increasing defense spending. The concentration of power in the hands of

Stockman and the OMB made the executive budgeting process even more centralized by bypassing agencies and Cabinet officers (Heclo, 1984).

Congress and the Budget

If the budget is an important component of presidential policymaking, is the congressional response to the president's budget a test of the institutional strength of the presidency? The budget should be a major indicator of presidential-legislative interaction since the power of the purse is the source of legislative authority (Wildavasky, 1988). The parochial nature of Congress invites fragmentation of power. This fragmentation is apparent in the Congressional budgetary process that splits appropriations into thirteen bills with numerous subcommittees and committees having jurisdiction over different parts of the government spending. These jurisdictions are vital for legislators because it is in these spending priorities that parties (Congressional parties) relate to the public whose policies they support (Kiewit and McCubbins, 1991).

In contrast to the decentralized approach of Congress, the President's budget is the only unified and detailed document of government spending and taxing. Presidents have utilized the authority mandated by the Budgeting and Accounting Act of 1921 to have the first input in the budgeting process. Realizing the importance of the ability to compile a unified budget, Congress passed the Congressional Budget and Impoundment Control Act of 1974. This act mandated that Congress itself produce budget resolutions that offer broad guidelines in how Congress will formulate its response to the President's budget. The act set up budget committees in both the House and the Senate to write these resolutions. The budget committees that were mandated to compile the broad

resolutions on spending soon encountered resistance from the individual appropriations committees that did not want to yield their power over spending. The resolutions are not binding and they have had mixed success in presenting a unified response to the president's budget (Schick, 1980). The reconciliation process has been used to enforce these resolutions, but with the exception of Reagan's first budget, this enforcement has been sporadic.

The 1974 act highlights the institutional conflict that budgeting presents. The unified budget presented by the President and his staff must survive the Congressional process that is dominated by fragmentation of process and interests. Because of the political value of government spending, this study asserts that the difference between the President's proposals and the Congressional response to those proposals offers a valid test of presidential influence in Congress. Submitting possible concepts for the explanation of this influence in the budgeting process is a major objective of this project and is explored in the next chapter.

CHAPTER 4
POSSIBLE DETERMINANTS OF PRESIDENTIAL SUCCESS

After examining the existing literature on presidential-congressional relations and the budgetary process, explanatory variables will be tested for their influence on presidential budgetary success. These variables can be classified into four groups: presidential characteristics, congressional partisan and ideological factors, institutional pressures and relations, and economic indicators. The theoretical focus of these variables is the explanatory value they might have on the political process that governs the outcome of the President's budget in Congress.

Presidential Independent Variables

Presidential popularity has been demonstrated by some scholars to have value in explaining presidential-congressional relations. (Edwards, 1989; and Rivers and Rose, 1985). Other scholars doubt its utility (Bond and Fleisher, 1990) due to the fluid nature of congressional deliberations. Since congressional action on legislation that the President supports may take months or even years, the point in time to measure presidential popularity and its relation to congressional action becomes problematic. However, since a substantial amount of the budget allocates money directly or indirectly to the constituents of legislators, public approval may act as one determinant of presidential budgetary success.

In order to target the impact of presidential approval, measurement of popularity is the monthly measure of presidential approval in the month at the start of the fiscal year (June before 1975, September after 1975) when many Congressional decisions are made about the budget. The question is the standard approval question employed by the Gallup Poll from 1954-1992 (Edwards and Gallup, 1990).

Another possible presidential variable with explanatory value for budgetary success is reputation of the President (Neustadt, 1960) or skill in leadership (Bond and Fleisher, 1990). How presidents can relate to Congressional members in a personal fashion may aid in the success of presidential initiatives. These skills may be important in the budgetary process since Congressional members could be influenced by many different groups and factions that desire a portion of budgetary resources.

Measurement of presidential personal persuasion is difficult. The most common method employed is that of the case study in which the strengths and weaknesses of one or two presidents are examined in detail (Kellerman, 1984). Some of these case studies have been criticized for selection bias (Bond and Fleisher, 1990) because they focus on a particular event or process in a presidency and ignore systematic trends.

Congressional Partisan and Ideological Factors

Although congressional members may consider a number of factors in taking action on legislation (Kingdon, 1981), party remains a source of presidential leverage. Systematic evidence exists that the coattail effect of presidential influence on congressional elections is apparent (Jacobsen and Kernell, 1983). Thus, members of the President's party in Congress still have a huge stake in presidential success. Moreover,

members of the President's party share a psychological bond that can translate into political loyalty (Bond and Fleisher, 1990). Finally, having a partisan majority in Congress allows the President to build majority coalitions and to foster support with chairmen of important committees and subcommittees.

Measurement of the partisan advantage or disadvantage in Congress will focus on partisan control of Congress. A dummy variable will be employed to represent divided government (1 for divided government, 0 for majority government). Divided government is defined as at least one house of Congress being controlled by the party opposing the President (both houses of Congress were controlled by Democrats in all the years studied except for 1981-1986).

Ideology of members may affect partisan loyalties. Congressional parties that are internally diverse ideologically may hinder presidential success in Congress (Bond and Fleisher, 1990). Evidence exists that ideology does matter in Congressional roll-call voting (Kingdon, 1981). The higher the party unity of the President's party, the more successful the President may be in budgetary relations. Likewise, the unity of the party that opposes the President may be critical on budgetary matters (Rohde, 1993).

Measurement of ideological diversity include four separate variables that gauge party unity in the House and the Senate. The first two are separate measures of party unity in the House and Senate of the President's party. These measures of unity record the percentage of members voting with the majority of their party on party unity votes. Party unity votes are roll call votes where majorities of both parties oppose each other. (Orstein, Mann, and Malbin, 1992). The other two measures detail the party unity of the

opposing party to the President in both the House and Senate using the same measurement technique.

Institutional Variables

Throughout the time period examined, Congress has attempted several institutional reforms of the budgeting process. As mentioned in Chapter 3, the most important of these reforms is the Congressional Budget Impoundment and Control Act of 1974. It mandated that Congress, among other reforms, approve an overall budget plan through the use of a resolution. This act would force Congress to consider aggregate totals as well as individual appropriation bills. It was in response to President Nixon's refusal to spend certain funds on projects that did not have his approval. Moreover, it signaled Congressional willingness to unify the disjointed budgetary process that had dominated Congressional budgeting. The 1974 act initiated controversy (Schick, 1980) since the President had historically presented the unified budget, and thus had the advantage of setting the budgetary agenda (Kamlet and Mowery, 1985). Congress put the President on notice that because of increasing budgetary pressures, it needed more authority in the budgetary process (Schick, 1980).

The single most important budgetary pressure was the increasing percentage of mandatory or uncontrollable spending in the budget. Uncontrollable spending is dominated by entitlement spending programs. These programs bypass the traditional influence of the appropriations process in two ways. One method is that some programs automatically receive budget authority through permanent appropriations and trust funds like Social Security. The second method includes programs that do get annual

appropriations like Medicaid and AFDC, but their levels of budget authority are already set by law that establish certain qualifications for benefits (LeLoup, 1986). These programs automatically increase as more citizens become eligible and can only be reduced by changing the eligibility requirements that govern these programs through the authorization process. As the percentage of mandatory expenditures increased, presidential flexibility in the remaining discretionary programs was seriously affected (Blechman, Gramlich, and Hartman, 1975). My measure of mandatory spending is: the annual percentage of nondiscretionary spending of the total budget authority listed in the President's budget (Office of Management and Budget, 1956-1992).

Another possible explanatory institutional variable is the collective decision by Congress to reduce or add to presidential requests. Some scholars argue that Congress will move further away from presidential requests when they reduce presidential initiatives (Kiewit and McCubbins, 1988). However, a possibly more effective view is that Congress has political incentives during this period to spend money for their own parochial interests while Presidents may be concerned about the effects of rising federal spending in the aggregate (Schick, 1980). Each policy area tested has its own directional variable, and measurement of the policy areas is detailed in the next chapter.

To measure the direction of Congressional preference, a dummy variable is coded 1 for years where Congress increased Presidential requests and 0 for years when presidential requests were reduced.

Economic Variables

The federal budget is inextricably linked with the national economy. Since the budget represents the allocation of scarce resources for specific purposes, it is dependent upon the national economy to define just how scarce those resources will be. Higher unemployment rates signal a slowing national economy and a scarcity of economic resources. As resources become more scarce, presidential conflict with Congress may increase (Blechman, Gramlich, and Hartman, 1975 ; Peterson, 1990). The annual rate of unemployment will highlight years in which the economy was in severe distress and thus the impact on budgetary considerations was increased (Department of Commerce, 1992).

Moreover, if economic conditions are severely altered during the budgetary process, these economic changes may prompt Congress to revise presidential requests. Two control variables will be employed to measure possible changes in the economy during the fluid budget process. First, the change in the unemployment rate during the calendar year of budgetary consideration will be utilized (Darnay, 1992). Second, the difference between the predicted revenue in the President's budget and the actual revenue (Office of Management and Budget, 1955-1993) that comes in during the fiscal year may affect the flexibility of Congress to set spending totals because of the possible dangers of deficit spending. If Congress believes that less or more money will be available, its reaction to the President's proposals may be altered (von Furstenberg, 1991).

Another variable that may affect the availability of budgetary resources is the presence of war. Since war directly affects national economic resources, the competition for resources is increased and conflict between the President and Congress may increase. (Kiewit and McCubbins, 1991). Measurement of war years required a dummy variable for the years that the United States was involved in a major conflict (1 = presence of war, Vietnam, 1965-1973; Iraq, 1991).

Relationships Among Independent Variables

Before final models can be analyzed, the possibility of multicollinearity among the independent variables must be examined. To achieve unbiased estimates in time-series regression, the absence of perfect multicollinearity is necessary. While perfect multicollinearity is unlikely, high multicollinearity still presents estimation problems for the researcher (Lewis-Beck, 1990). Hanushek and Jackson (1977, p.87) state that in general " it is just not possible to locate a data sample in which all explanatory variables exhibit a large amount of independent variation" especially "in small samples, such as one that must deal with in a time series analysis." Since this data set encompasses 38 cases over time, the possibility of multicollinearity must be investigated.

Exact criteria for defining multicollinearity may be difficult since multicollinearity depends upon the type of model being examined (Hanushek and Jackson, 1977). One method of detecting multicollinearity is examining the pairwise correlation coefficients among the independent variables. The eleven independent variables have been correlated with each other to examine their degree of association. The basic statistics of the independent variables and the their first order correlation

coefficients are shown in Tables 4-1 and 4-2. The time period for measurement of independent variables is 1955-1992. This period of budgetary analysis highlights the budget and possible independent variables when war expenditures were a decreasing part of budgetary expenditures and policymakers had more flexibility.

As the data in Table 4-1 reveal, some multicollinearity is apparent among several of the independent variables. As expected, the partisan unity variables appear to be related. The House Unity variable and the Opposition House Unity variable correlate highly (.582) as do the House and Senate Unity variables (.622) and the opposition House and Senate variables (.671). Unemployment correlates with the war dummy (-.53) and mandatory spending (.56). Other examples of collinearity are apparent but at lower levels of association. While some of the pairwise relationships do not exhibit noticeably high levels of association, the combined collinearity in models with more than two exogenous variables is important for the researcher to investigate especially in small samples involving time series data (Hanushek and Jackson, 1977).

To adjust for multicollinearity, the researcher has several options. First, The most common method of combating multicollinearity is to increase the sample size since the bigger the N, the more likely the researcher will find significance among each of the independent variables. Second, the researcher can combine measures that display multicollinearity if this combination "makes conceptual sense" (Lewis-Beck, 1990, p. 61). Third, some variables may be dropped from the analysis if other variables are measuring the same phenomena.

Table 4-1. Correlation Coefficients for Determinants

	Pres. Approval	Divided Govern.	House Unity	Senate Unity	Opposition House Unity	Opposition Senate Unity	Mand. Spending	War Dummy	Unem-ploy.	Change in Unemp.	Change in Rev. For.
Pres. Approval	1	.127 (.440)	.434 (.006)	.374 (.020)	.354 (.028)	.235 (.153)	-.3337 (.040)	.100 (.549)	-260 (.114)	-.119 (.475)	.062 (.707)
Divided Govern.	.127 (.447)	1	.003 (.983)	.205 (.216)	.032 (.844)	.112 (.501)	.379 (.018)	-.315 (.053)	.352 (.0300	.089 (.593)	-.049 (.768)
House Unity	.434 (.006)	.003 (.983)	1	.464 (.003)	.582 (.0001)	.328 (.044)	-.153 (.357)	-.218 (.188)	.157 (.346)	-.193 (.245)	-.22 (.165)
Senate Unity	.374 (.0205)	.2051 (.2167)	.4641 .0033	1	.6224 (.0001)	.4416 (.005)	.090 (.588)	-.477 (.002)	.218 (.118)	-.120 (.448)	.043 (.796)
Opposition House Unity	.354 (.028)	.032 (.844)	.5822 .0001	.622 .0001	1	.671 (.0001)	.1555 (.3511)	-.324 (.047)	.080 (.630)	.077 (.642)	-.132 (.426)
Opposition Senate Unity	.235 (.153)	.112 (.501)	.328 (.044)	.441 (.005)	.671 (.0001)	1	.155 (.351)	-.302 (.064)	.046 (.783)	.054 (.746)	.160 (.335)
Mandatory Spending	-.333 (.049)	.379 (.018)	-.153 (.357)	.09 (.588)	.248 (.1322)	.155 (.351)	1	-.241 (.144)	.560 (.0003)	.184 (.2664)	-.128 (.440)
War Dummy	.100 (.549)	-.315 (.053)	-.218 (.188)	-.477 .0024	-.324 (.047)	-.302 (.064)	-.241 (.1448)	1	-.530 (.0006)	-.084 (.6228)	-.034 (.838)
Unemploy-ment	-.260 (.114)	.352 (.030)	.157 (.346)	.218 (.188)	.080 (.630)	.046 (.783)	.56 (.0003)	-.53 (.0006)	1	.256 (.120)	-.149 (.370)
Change in Unemploy-ment	-.119 (.475)	.089 (.593)	-.193 (.245)	-.120 (.448)	-.0777 (.642)	.0543 (.746)	.184 (.266)	-.084 (.622)	.256 (.120)	1	.090 (.561)
Change in Revenue Forecast	.062 (.707)	-.049 (.768)	-.229 (.165)	.043 (.796)	-.132 (.426)	.160 (.335)	-.128 (.440)	.034 (.838)	-.149 (.370)	.097 (.561)	1

Table 4-2. Basic Statistics for Determinants

	Mean	Standard Deviation	Minimum	Maximum	N
Pres. Approval	53	11.73	24	74	38
Divided Government	.68	.47	0	1	38
House Unity	77.18	3.5	71	85	38
Senate Unity	76.42	3.65	68	83	38
Opposition House	79.57	5.11	70	88	38
Opposition Senate	77.15	4.03	71	85	38
Mandatory Spending	.489	.11	.311	.686	38
War	.28	.45	0	1	38
Unemployment	5.94	1.547	3.5	9.7	38
Change in Unemployment	0	6.4	-1.30	2.00	38
Change in Revenue Forecast	.047	.037	0	.135	38

For the purposes of this analysis, the third option is the superior alternative. Since this analysis is based upon time series, the N of the analysis has been chosen to avoid the influence of WWII and the Korean War. Expanding the analysis to include more years would alter the theoretical framework. The option of combining measures is not practical since most of the variables have different units of analyses. Thus, in order to analyze different models, some of the possible independent variables may be removed from consideration.

Accordingly, in the following chapters various models will be tested for each dependent variable. Each sequence of modeling will begin with all the independent variables. The justification for testing several models is twofold. First, theoretical reasons may suggest testing different combinations of independent variables. Second, as stated, the possibility of multicollinearity must also be examined.

CHAPTER 5
PRESIDENTIAL BUDGETARY SUCCESS ON THE MACRO LEVEL

If the budget is a vehicle of presidential priorities, then at what level of budgeting should success be judged? According to Berry and Lowery (1989), success should be examined where executive decisionmaking occurs. If budgeting is a bottom up process as the incremental model suggests, then macro analysis is not necessary or theoretically useful. However, if decisions are made at this level, then researchers must respond. This analysis contends that budgeting is a combination of both top down aggregate levels and bottom up program levels. Lance Leloup (1986) separates presidential budgeting decisionmaking into two areas: priorities, and programs. Priority decisions determine broad national goals and set budget aggregates. Program decisions refer to choices made about programs within government agencies and these decisions are negotiated between the agencies and the OMB so that they remain in accordance with the President's plan. If these two levels are where decisions are made, then it is appropriate that presidential success be judged at these levels.

This chapter will examine presidential aggregate priorities. Research has shown that presidential direction, carried out through the OMB, controls aggregate outcomes of budget submissions to Congress (Mowery, Kamlet, and Crecine, 1980). Some scholars argue that presidents not only direct aggregate budgetary priorities but attempt to use them for political advantage (Tufte, 1978). Other scholars also have recognized the

importance of aggregate outcomes for presidents because of the budget's effect on the economy (Kamlet Mowery, and Tsu Su, 1988).

As mentioned in a previous chapter, no level can be of much importance in examining presidential success until discretionary spending is separated from non-discretionary spending. Nondiscretionary spending consists of programs that are automatic (and increase automatically) unless Congress changes the authorizing legislation that controls these programs. While nondiscretionary programs are an increasing part of the budget (67% of budget authority in FY 1993), decisions on the allocations of hundreds of billions of dollars are made every year in these discretionary totals. Moreover, this study submits that the increasing amount of nondiscretionary spending has increased the pressure on the discretionary part of the budget and thus produced more presidential-congressional conflict in the budgetary arena. Accordingly, an examination of discretionary spending does not ignore the presence of increasing entitlements but instead reflects this phenomenon.

Once discretionary spending is highlighted, three categories may be employed to reflect macro decisionmaking: 1) defense discretionary, 2) foreign assistance, and 3) domestic discretionary. Budgetary scholars have long separated the defense and domestic parts of the budget for analysis (Mowery, Kamlet, and Crecine, 1980; Hill and Plumlee, 1982), reflecting the autonomy that the defense budget possesses. Although foreign aid has often been coupled with the defense budget by scholars, the contentious politics of foreign aid have little in common with the more accommodating reception that aggregate defense budgets receive. Separation of budgeting into these three domains

was confirmed by the Budget Enforcement Act of 1990. This act set overall limits for discretionary spending in each category to reflect the different policy dimensions of presidential and Congressional decisionmaking.

Data and Methodology

Using data from the President's budget compiled by the Office of Management and Budget, this project will use regression time series analysis to examine budgets from the second year of the Eisenhower administration through the Bush administration. This time period was chosen because FY 1956 was the first budget since 1941 not to reflect the immediate effects of WWII or the Korean War. As a result, decisionmakers had more flexibility.

The dependent variable equals the absolute percentage difference between what the President proposes in budget authority at the beginning of the budgetary cycle and the amounts of budget authority that were approved by Congress for the entire fiscal year (available in budgets two years later).[1] Budget authority is used for analysis instead of outlays because budget authority is what is actually approved by Congress. Budget authority should not be confused with budget authorization. Budget authority allows the government to make financial obligations, and thus expenditures (outlays) are the result of these obligations.

Congress basically uses budget authority to put money in the checking accounts of government agencies. When government agencies actually spend the dollars, the dollars become outlays (Schick, 1980).

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[1] The unified budget concept combines the administrative budget and trust funds for the fiscal years before FY 1969. Loan Authority is also incorporated into total budget authority for the few years that is was placed in a separate category.

Budget authority may be passed to make commitments to spend money in the present and the future, allowing presidents to set priorities for a number of years. For example, 10 billion dollars in budget authority may be approved by Congress to build an aircraft carrier, but not all of that 10 billion dollars will be used in the first year. Whatever is spent in construction in the first year are outlays for that year with the remaining budget authority targeted to be used in succeeding years (Collendar, 1986). Appropriations account for most of budget authority, but budget authority also includes contract authority and borrowing authority.[2]

In order to focus on discretionary spending, all major nondiscretionary items in the budget are subtracted from total budget authority for both the President's budget and the budget that Congress finally enacts. This subtraction is only necessary in the domestic category since almost all nondiscretionary spending is domestic.[3] Thus, the calculation of domestic discretionary spending is as follows:

> Domestic Discretionary = Total budget authority - (Defense+International Affairs+Interest Payments+Nondiscretionary Programs+Items Not Under Budgetary Review)[4]

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[2] Contract authority allows government agencies to enter into financial obligations. Borrowing authority allows government agencies to borrow money for various purposes. Both these types of authority eventually turn into outlays although not necessarily in the same year as the authority was created.

[3] Defense aggregate spending was calculated by the examining the presidential budget recommendation for Department of Defense and Congressional enactment of those recommendations. The Foreign Assistance dependent variable was calculated by examining the difference between the presidential request for budget authority for the International Affairs function contained in the President's budget and the Congressional response to that request. Because of their unpopularity, foreign aid appropriations have been consistently postponed for consideration by Congress until late in the appropriations process. Because of the late start by Congress of these requests, presidential administrations sometimes alter their requests dramatically as the approval process approaches. When possible, these later updated requests were included in this analysis as reflective of the President's priorities. These updated requests are available in the succeeding year's budget. This adjustment was used for FY 1958, 1959, 1961, 1962, 1963, 1965, 1974, 1978, 1981, 1984, 1985, 1992, 1993.

[4] Domestic discretionary budget authority is calculated by subtracting from total budget authority, the budget of the Department of Defense, the allocation for International Affairs that is listed in the Budget.

The measure of presidential success is defined as:

$$\text{Success} = \frac{|P -- C|}{P}$$

P is the request made by the President for budget authority; C is the Congressional enactment of budget authority, and |P -- C| is the absolute difference between the request and enactment. The equation yields the absolute percentage difference between presidential requests and Congressional enactment. The dependent variables for all three areas of analysis will be calculated in the same manner. The interpretation of the dependent variable is that the smaller the amount of difference between the President and the Congress indicates more success for the President. Recall that the direction of the Congressional change (reduction or addition to the President's budget) will be added to the model as an dummy independent variable.

The use of final budgetary numbers for the aggregate totals as a gauge of Congressional response to the President's budget is appropriate because these final numbers include unfinished appropriations and supplementary appropriations. However, if major supplementary appropriations are due to shifts in policy by the President or emergency circumstances like natural disasters, additions to the presidential requests

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Annual Interest, items not reviewed by the President which include the budgets of the Judiciary and the Legislature, and major nondiscretionary programs. These nondiscretionary programs include entitlement programs that are funded through annual appropriations and entitlement programs that are funded through permanent appropriations mainly through trust funds. The list of these programs are Military Retirement, Coast Guard Retirement, Veteran's Compensation and Pensions, Veterans Readjustment Benefits, Veterans Insurance, Medical Care for Veterans, Commodity Credit Corporation, Child Nutrition programs, Special Milk program, WIC, Student Loan Insurance Fund, Supplementary Social Security, General Revenue Sharing, Medicare, Medicare -Part B, Medicaid, Food Stamps, Public Assistance (mainly AFDC) Old age Survivor's program (Social Security), Disability Trust Fund, Federal Employee Retirement Fund, Foreign Service Retirement Fund, Unemployment Trust Fund, and the Railroad Retirement Trust Fund. (Programs were taken from (Weaver, 1985 and Kamlet and Mowery, 1987).

should be implemented to reflect the success of Presidential initiatives. The issue of supplementary appropriations is discussed in detail in the Appendix. The use of intra-year figures also allows the researcher to use constant dollars (Malachowski, Bookheimer, and Lowery, 1987)

With the dependent variable established, selected independent variables from Chapter 4 will be utilized to test the following hypotheses:

Hypothesis #1: The higher the President's popularity at the time of budgetary decisionmaking, the smaller the difference between the presidential requests and Congressional enactment.

Hypothesis #2: With the presence of divided government, the larger the difference between presidential requests and Congressional enactment..

Hypothesis #3: The higher the level of voting unity among the President's party in Congress, the smaller the difference between presidential requests and Congressional enactment.

Hypothesis #4: The higher the level of voting unity among the opposition Party of the President, the larger the difference will be between presidential requests and Congressional enactment.

Hypothesis #5: With the presence of war, the larger the difference between Presidential requests and Congressional enactment.

Hypothesis #6: The higher the percentage of mandatory spending in the President's budget, the larger the difference between Presidential requests and Congressional enactment.

Hypothesis #7: The higher the yearly unemployment rate, the larger the difference between Presidential requests and Congressional enactment..

Hypothesis #8: The higher the change in the unemployment rate during the calendar year, the larger the difference between presidential requests and Congressional enactment.

Hypothesis #9: When Congress increases presidential requests, the difference will be larger than when Congress decreases presidential requests.

As stated above, the difference in revenue estimates and actual revenues will be employed as a control variable. This variable accounts for the difference in budgetary outcomes due to changes in economic projections.

With the use of regression analysis over the time period examined, these propositions will be examined. Different models will be tested as different combinations of the independent variables will be attempted.

Results

As stated above, budgetary analysis should be separated into three policy domains. Table 5-1 highlights the need for this separation. The table contains the absolute percentage difference between Presidential requests and Congressional enactment in three budgetary areas.

The descriptive examination demonstrates that considerable variation exists in the domestic and international categories while overall defense spending exhibits a small amount of variation. As table 5-1 suggests possible explanatory variables for this

variation, such as the partisan pattern evident in the domestic category, the rest of the chapter will test the hypotheses offered in each of the three policy areas.

Table 5-1. Absolute Mean Percentage Difference in Budget Authority between Presidential Budgetary Requests and Congressional Enactment by Policy Area and Administration FY 1956-1993

	Domestic Discretionary	Defense Discretionary	International Affairs Discretionary
Eisenhower (1956- 1962)(R)	12%*	4%	18%
Kennedy (1962-1964) (D)	12%	2%	10%
Johnson (1965-1970)(D)	11%	2%	12%
Nixon (1971-1975) (R)	30%	2%	14%
Ford (1976-1978)(R)	27%	5%	30%
Carter (1979-1982)(D)	17%	6%	20%
Reagan (1983-1990)(R)	27%	4%	18%
Bush (1991-1993)(R)	24%	1%	18%
Overall Mean	21%	4%	18%

Source - Budget of the United States of America, Office of Management and Budget (FY 1955-1995).
Note - * All percentages are rounded off to the nearest whole percent.

Domestic Discretionary Spending

In the time period examined, conventional wisdom indicates that as a percentage of GNP, domestic spending has outpaced defense spending by a substantial margin.

Indeed, as a percentage of GNP since the early 1960s, domestic spending has increased by 50% while defense spending has decreased by 50% (Kettl, 1992). Yet, when domestic spending is separated into categories of nondiscretionary domestic spending that consists of entitlements, and discretionary domestic spending such as the operating budgets of agencies, the true nature of the relative increase in domestic spending is apparent. Entitlement spending has increased from 6% of the GNP to 11% since the early 1960s. This entitlement increase was constant through all presidential administrations. However, discretionary domestic spending as percentage of GNP has actually declined during the same period from 4.5% to 4% and has seemingly been responsive to changes in presidential administrations.

Since presidential administrations seem to matter in formulating the amount of domestic discretionary spending, the difference between the President and Congress in this area may be determined by the independent variables such as party, ideology, institutional factors and the economy. Different combinations of independent variables were attempted due to either theoretical purposes or testing for the possibility of multicollinearity.

The table below contains the results of time-series regression analysis for different models. With times-series analysis, the possibility of autocorrelation must be monitored. The indication of autocorrelation is the Durbin-Watson statistic (Hanushek and Jackson, 1977). Severe autocorrelation is not anticipated in these models since the dependent variable is figured on the basis of a intra-year difference instead of a year to

year differences.[5] For the domestic category, all of models tested did not produce a Durbin Watson statistic that was above the upper bounds. Accordingly, an autoregressive procedure was implemented for the models II-VI with a lag of 1. However, the full model required a lag of 3. The autoreg procedure in the SAS statistical package makes this adjustment and produces the results in Table 5-2 (Freund and Little, 1991). The Durbin Watson statistics from these autoregressive models were above the upper limits.

Model I tests eleven independent variables. With an R-squared that indicates explanation of over half the variation in the model and with no variables being significant at the .05 level, multicollinearity may be present (Lewis-Beck, 1990). Model II removes variables that have little effect on the variation of the dependent variable. None of the Congressional unity measures exhibited large coefficients in the various combinations attempted. The war dummy variable and the yearly unemployment measure display some intercorrelation (-.53) but separate testing of both variables showed that they have little effect on the model. With these variables removed, change in unemployment over the calendar year of budgetary decisionmaking becomes significant in the hypothesized direction.

Model III attempts to address other sources of possible multicollinearity. Mandatory spending is a continuous variable that increases consistently through the time period examined. It correlates significantly with presidential approval and divided

[5] The Durbin Watson statistic indicates whether the successive error terms in the cases are uncorrelated. The value of the statistic has an upper and lower bound. If the statistic is less than the lower bound, autocorrelation may be present; if the statistic is above the upper bound, the null hypothesis of no autocorrelation may be accepted. If the value of the statistic falls in-between the bounds, the outcome is unclear. The upper bound for the four independent variables is 1.71 and for 5 independent variables and above, the upper bound is 1.79 (Hanushek and Jackson, 1977)

Table 5-2. Selected Independent Variables Regressed Upon the Absolute Difference Between the President and Congress in Domestic Discretionary Spending FY 1956-1993

	Model I	Model II	Model III	Model IV	Model V	Model VI
Intercept	.254 (.288)	.053 (.284)	.246 (1.76)	.695 (2.71)	.342 (2.61)	.291 (2.08)
Presidential Approval	-.003 (-1.056)	-.004 (-1.98)	-.0055 (-2.61)		-.0073 (-3.59)	-.005 (-2.52)
Divided Government	.087 (1.37)	.086 (1.46)	.126 (2.23)		.070 (1.49)	.1212 (2.15)
House Unity	.005 (.53)					
Senate Unity	-.004 (-.412)					
Opposition House Unity	.00009 (.092)					
Opposition Senate Unity	-.008 (-1.036)					
Mandatory Spending	.45 (1.312)	.397 (1.53)		.695 (2.71)		
War Dummy	.0005 (.0007)					
Unemployment	.0004 (.165)					
Change in Unemployment	.0007 (1.816)	.0006 (2.023)	.0007 (2.290)	.0006 (2.29)	.0007 (2.26)	.0008 (2.332)
Change in Revenue Forecast	1.38 (1.97)	1.023 (1.707)	.938 (1.558)	1.01 (1.66)	.894 (1.54)	
Direction Dummy Variable					.118 (2.28)	
Total R-squared	.57	.467	.431	.393	.503	.386
Reg. R-Squared	.56	.435	.392	.350	.488	.348
Durbin Watson	1.83	1.8	1.81	1.86	1.88	1.74

government although not at extremely high levels (-.33 and .37 respectively). However the combined collinearity among the three variables must be considered (Hanushek and Jackson, 1977). Model III removes mandatory spending, and with this removal presidential approval and divided government become significant in the hypothesized directions.

As the President's popularity increases, the percentage difference in budget authority between the Congress and the President becomes smaller. Conversely, the presence of divided government may increase this difference. Also, as the unemployment rate increases from the month of presidential budgetary submission to the month of Congressional decisionmaking, the budgetary difference between the President and Congress also grows.

Model IV removes divided government and presidential approval and inserts mandatory spending. The relationship among these variables may possibly be explained by the continuous increase of mandatory spending. The negative relationship between presidential approval and mandatory spending may be due to the fact that the largest increases in mandatory spending as percentage of the budget occurred in the 1970s along with three presidents who recorded relatively low approval ratings (Nixon, Ford, and Carter). The positive relationship between mandatory spending and divided government may be due to the fact that divided government was present during 18 out of the 22 years of the 1970-1992 period.

Model IV shows mandatory spending to be significant along with the change in unemployment rate. The model shows the importance of mandatory spending. As the

part of the budget that is discretionary (non-mandatory) becomes smaller, the difference between the President and Congress increases. The smaller discretionary pie highlights the battle over dwindling resources as entitlement spending consumes a greater part of the budget. The significance of this variable is not surprising given the consensus among budgetary scholars that entitlement spending is one of most important developments in the political battle over the budget over the last twenty-five years (Blechman, Gramlich, and Hartman, 1975).[6]

Another potentially important addition to the model is the direction of change that Congress makes to Presidential requests. Although early budgetary studies cast Congress in the role of budgetary guardian (Fenno, 1966), Congress has political incentives to spend money on their own parochial interests while Presidents may be concerned about the effect of high federal spending in the aggregate (Schick, 1980). Thus, when Congress takes action to increase presidential requests, the difference may be greater than when Congress reduces presidential requests. Table 5-3 shows the breakdown of additions to reductions.

Table 5-3. Congressional Changes in Presidential Requests FY 1955-1993
By Number of Years of Percentage Reductions or Additions

	Number of Years
> 50% reduction	0
10%-50% reduction	8
0-10% reduction	3
No Change	1
0-10% addition	6
10-50% addition	8
>50% addition	2

[6] Various models were tested with the removal of Presidential approval and divided government, in all combinations, mandatory spending remained significant.

The evidence from Table 5-3 indicates that when Congress increased presidential requests, the magnitude of change was usually greater than when Congress reduced the requests. Table 5-1 shows that the direction variable is at .05. This indicates that in the domestic discretionary arena, the difference between the President and Congress is greater when Congress increases presidential requests. The variable also dilutes the impact of the divided government variable suggesting that in the years of large additions to the President's budget by Congress, divided government is also present. With Republicans owning the presidency in 26 of the 38 years examined, the compulsion to increase domestic discretionary spending by a substantial amount by a Democratic Congress is logical.

The final model shows only variables that are significant. Presidential approval and divided government are again significant in hypothesized direction while the change in the unemployment rate remains significant.

In sum, the Domestic Discretionary data show that the rules of the old budgetary game where accommodating budgets were agreed on by the President and Congress (Schick, 1980) were drastically altered by the pressures of a fluctuating economy in the 1970s and early 1980s and the growth in mandatory spending that climaxed in the 1970s and 1980s. Because of the increasing conflict, presidents had to rely on traditional levers of influence with Congress such as public opinion and party support in Congress to preserve their budgetary priorities.

Defense

While governmental budgeting is sometimes viewed as a gradual incremental process, defense budgeting on the aggregate level goes far beyond this description. As a percentage of GNP, defense spending during the war years of WWII and the Korean War comprised up to 80% of all government expenditures (Ippolitio, 1990); in fiscal 1992 the number is closer to 20%. This dramatic shift in priorities, that was mainly due to the increase in domestic entitlement spending, took place in an amazing atmosphere of cooperation between presidents and Congress. While independent defense projects are often heatedly debate between the President and Congress, the overall aggregate levels of defense spending have remained close to the proposals of the President.

Even after the tumultuous debate over Vietnam in Congress, aggregate defense appropriation remained close to presidential requests. Again certain programs were offered for reductions by the Democratic Congress, but on the aggregate level, little change is evident. Analysis of defense spending by type of program supports this interpretation (Kanter, 1974). Because of this pattern, the variation that does occur is highlighted and explanatory analysis is needed. The hypotheses that were offered at the beginning of the chapter will now be tested for defense spending. The results produced Durbin Watson statistics in the acceptable range so ordinary least squares estimates are displayed in table 5-4.

None of the proposed models have much explanatory power. Model I represents the testing of eleven independent variables. None of the variables are significant and the

explained variation is exceptionally low. value of the t-score for the war variable increases, none of the variables are significant.

Model IV includes the direction dummy variable. Although Presidents usually cut requests from the Department of Defense to seek conciliation with Congress (Kanter, 1974), the Congressional response to the President's requests may depend upon a myriad of factors including party, international emergency, and the economy

No pattern seemingly is present in Table 5-5. Since the overall percentage change in the Defense category is only .04, the direction of change becomes less important. The regression analysis in Table 5-4 confirms this analysis.

Finally, Model V displays a bivariate model with war as the highlighted variable. The direction of the variable is the opposite of the hypothesized effect. This may be attributed to Congress supporting the President during wartime at least in terms of supplying the necessary resources to fight a war.[7] However, the war variable does not reach the .05 level of significance.

In sum, the defense category showed much less variation overall than domestic discretionary spending. Because of the lack of variation, none of the proposed variables were significant. Even if individual defense projects are sources of heated debate between the President and Congress, overall defense spending appears to be an area of mutual cooperation.

[7] Two large supplementals in FY 1966 and FY 1967 of 12 billion and 13 billion dollars were requested by President Johnson and approved by Congress. These supplementals were added to the President's original requests. See Appendix-1 on supplementals.

Table 5-4. Selected Independent Variables Regressed Upon the Absolute Difference between Presidential Requests and Congressional Enactment in Defense Discretionary Spending FY 1956-1993

	Model I	Model II	Model III	Model IV	Model V
Intercept	.0439 (.202)	.105 (2.43)	.056 (6.044)	.009 (5.94)	.048 (7.551)
Presidential Approval	-.0006 (-.813)	-.0005 (-1.106)			
Divided Government	-.003 (-.207)				
House Unity	-.0006 (-.241)				
Senate Unity	.0006 (.254)				
Opposition House Unity	.00005 (.002)				
Opposition Senate Unity	.0009 (.412)				
Mandatory Spending	-.054 (-.599)	-.039 (-.771)			
War Dummy	-.018 (-.948)	-.0228 (-1.85)	-.0228 -1.927	.021 (-1.81)	-.0232 (-1.958)
Unemployment	.0001 (.241)				
Change in Unemployment	.00008 (.776)	.0008 (.971)			
Change in Revenue Forecast	-.224 (-1.208)	-.193 (-1.28)	-.173 -(1.184)	-.149 (-.985)	
Direction Dummy Variable				-.008 (-.730)	
R-squared	.204	.191	.1311	.1445	.096
Adj. R-squared	-.131	.0651	.081	.069	.071
Durbin Watson	1.933	1.928	1.79	1.75	1.736

Table 5-5. Congressional Action in Presidential Budget Requests for Defense FY 1955-1993 By Number of Years of Percentage Reductions or Additions

>50% Reduction	0
10%-50% Reduction	2
0-10%	15
No Change	9
0-10% Addition	10
10%-50% Addition	2
>50% Addition	0

International Affairs

In total opposition to the degree of cooperation between Presidents and Congress for aggregate defense spending is foreign aid. Foreign aid appropriations provide for some of the most lengthy and strident debates between the President and Congress (Congressional Quarterly, 1967). During the time period studied, this description is especially relevant because of the different types of foreign aid that emerged after WWII and the Korean War. During the 1946-49, Western Europe received over 60% of all foreign aid that the United States offered (Guess, 1987). This aid constituted the famous Marshall Plan that aided Europe's recovery from WWII. The Truman administration believed that this assistance would help to limit Soviet domination of Europe. This goal of containment enjoyed general support from the Congress and the public.

After foreign aid shifted from aiding Europe to aiding the Third World in Asia and the Mideast, this general support was not as clear. By 1953, the proportion of foreign aid to Europe was down to 10% while the Middle East and Asia consumed 60% of foreign aid (----, 1987). Public opinion regarding foreign aid has continuously shifted

throughout the post WWII period (O'Leary, 1969). The Congress has reflected these shifting attitudes generally reducing Presidential requests for foreign assistance (Congressional Quarterly, 1960-1992). The hypotheses given at the beginning of the chapter will be tested for foreign aid. Again, no evidence of autocorrelation is present so the ordinary least squares estimates are presented. The results are listed in Table 5-6.

The complete model does not yield much explanatory power. Model II is a reduced form that attempts to highlight variable that had higher t-scores in a number of combinations that were tested. The model displayed shows unemployment and the House unity variable significant in the hypothesized direction. Unity of the President's party in the House may assist in the passage of foreign aid. Conversely, high unemployment may cause Congress to divert their attention to domestic concerns and offer less money for foreign aid.

As stated above, Congress tends to reduce the requests of the President in foreign aid. The analysis in Table 5-7 supports this statement. The table reveals more reductions than additions. However, when the directional dummy variable is added to the model, it is not significant.

Models IV and V are bivariate regressions that focus on variables that may be significant when they are isolated. The change in unemployment over the year of budgetary decisionmaking is significant in a bivariate regression model. This is logical because changing economic conditions at home may make it more difficult for Congress to fulfill the President's requests for foreign aid. The yearly average of unemployment is.

Table 5-6. Selected Independent Variables Regressed Upon the Absolute Difference Between Presidential Spending Requests and Congressional Enactment for International Affairs FY 1956-1993

	Model I	Model II	Model III	Model IV	Model V
Intercept	.914 (.968)	1.065 (1.85)	.987 (1.69)	.175 (6.76)	-.0235 (1.943)
Presidential Approval	.005 (1.61)	.004 (1.92)	.004 (1.82)		
Divided Government	-.034 (-.481)				
House Unity	-.0110 (-.915)	-.018 (-2.154)	-.016 (-1.909)		
Senate Unity	.002 (.272)				
Opposition House Unity	-.0102 (-.912)				
Opposition Senate Unity	.001 (.198)				
Mandatory Spending	-.013 (-.035)				
War Dummy	.011 (.139)				
Unemployment	.005 (1.80)	.004 (2.41)	.003 (2.095)		.003 (1.943)
Change in Unemployment	.0005 (1.31)	.0005 (1.26)	.0005 (1.342)	.0008 (2.143)	
Change in Revenue Forecast	.608 (.753)				
Direction Dummy Variable			-.055 (-.886)		
R-squared	.365	.286	.3038	.113	.095
Adj. R-squared	.097	.2003	.1951	.0885	.069
Durbin Watson	2.28	2.030	1.82	1.87	1.90

Table 5-7. Congressional Changes to Presidential Requests for Foreign Aid Spending by Number of Years of Percentage Reductions and Additions FY 1956-1993

>50% Reduction	2
10-50% Reduction	15
0-10% Reduction	9
0	4
0-10% Addition	4
10%-50% Addition	4
>50% Addition	0

not significant in the bivariate equation. Moreover, when both variables were tested together neither one was significant

While the economic variables seemingly have some explanatory value for the difference between Congress and the President in foreign aid requests, the shifting support of foreign aid by Congress and the public may make it difficult to construct a model that can hold up over time. The instability of foreign events may make it difficult to construct a model of this area of relations between the Congress and the President.

Conclusion

The empirical data has confirmed the importance of separating presidential budgetary success into different policy areas. Defense, with little variation, demonstrates the general pattern of cooperation between the President and Congress. Foreign aid shows considerable variation, but due to unstable support for foreign aid, this variation exhibits few discernible patterns. Domestic spending also displays variation, and this variation is more accessible to the models suggested at the beginning of the chapter with partisan, presidential, and economic variables aiding in explaining the dependent variable. Some of the models also point to the emerging influence of mandatory

spending on the budgetary relationship between the President and Congress. Since the domestic area seemingly responds to the suggested model, further examination on the program level for domestic spending will be attempted in the next chapter. This program evaluation will test the idea that these explanatory variables are also important at a lower levels of aggregation.

CHAPTER 6
PRESIDENTIAL BUDGETARY SUCCESS ON THE PROGRAM LEVEL

As the analysis of the highest aggregate level has demonstrated various degrees of presidential influence in the budgeting process, lower levels of aggregation must also be examined. While the aggregate levels of budgeting may help the President to implement fiscal and macroeconomic goals, the program levels of budgeting display the actual substantive policymaking priorities that the President and Congress attempt to initiate. This examination of budgeting at different levels has been recognized as a more rigorous way to investigate the budgetary process (Autman, Bozeman, and Kline, 1982).

As stated in Chapter 3, the seminal work concerning budgeting is Fenno's Power of the Purse. In an examination of the budgets of government agencies, Fenno describes an incremental process. Agencies request increases in their budgets beyond inflation; the OMB reduces these requests and sends them to Congress. The House Appropriations Committee acts as the guardian of the treasury with the Senate Appropriations Committee portraying the appeals court to which agencies can protest the cuts from the House. The end product of this interplay between executive agencies and the Congress is that most agencies receive incremental increases from the previous year (Fenno, 1966). Further empirical work using government agencies gave support to the idea of incremental budgeting (Davis, Dempster and Wildavasky, 1974).

Various criticisms of the incremental model were presented in Chapter 3. The most important criticism for the purposes of this chapter is the lack of relevance attributed to presidential involvement and other political variables in the budgeting process at the agency level. (Fisher, 1975). If budgeting is truly incremental, then the process almost becomes automatic in that most agencies will receive slight increases above inflation with minimal political conflict involved. If budgets are always too small in democracies due to conflicting interests (Downs, 1969), can this automatic and generally nonpolitical explanation of budgeting be accurate?

While incrementalism should not be rejected in its totality, neither should it be the guidepost for an examination for all government agencies and programs. This reliance on incrementalism may come from the data that was used to advance the theory. Both Fenno(1966) and Davis, Dempster and Wildavasky (1974) based their findings on data from the 1940s to the middle 1960s when the economy was expanding rapidly and thus could finance increases in most government agencies. Moreover, the agency data still aggregate hundreds of programs and thus may mask the true variation of the conflict over budgetary resources (Natchez and Bupp, 1973).

Other scholars suggest an updated analysis of budgeting on the federal level. In an examination of the budgets of 63 non-defense agencies, Kiewiet and McCubbins (1988) describe a budgetary process in which presidential and Congressional variables may be important in predicting appropriation levels. While Presidents are concerned with the macroeconomic effects of overall spending and taxing levels, they also have priorities in the budgeting process and constituent groups that they wish to reward

through the budgets of individual programs. Moreover, the role of Congress has changed dramatically. Since Fenno's work, it would be difficult to characterize the House as a protector of the treasury.[1] The turnover of committee chairman from conservative democrats to liberal democrats in the 1960s led the Congress to a greater propensity to increase spending (Kiewiet and McCubbins, 1991). Also, legislators in the House and the Senate both advocate particular programs for their own constituents to aid in their re-election prospects.

When the priorities of the President and Congress clash over individual programs, the importance of traditional aspects of presidential influence such as public opinion, party, and ideology, may be crucial to budgetary outcomes of particular government programs. In this chapter, I attempt to evaluate presidential influence on the program level. Evidence that demonstrates the impact of the President or Congress is evidence against the notion that budgeting is an automatic process described in earlier studies.

Data and Methodology

The data employed in this chapter come from 29 domestic programs that were randomly selected from a list of 674 discretionary domestic program accounts that were listed in the conference report to the Budget Enforcement Act of 1990. As stated in chapter 4, the BEA separated discretionary program accounts into defense, international, and domestic categories so that spending caps could be implemented. These lists are important because they isolate discretionary programs from mandatory programs. Thus both the President and the Congress have more flexibility with these programs because

[1] With the election of the Republican majority in the 1994 elections, this guardianship role may return to the House.

they must pass through the traditional appropriations process. However, similar to the aggregate level, the amount of mandatory spending cannot be ignored and will be employed as an independent variable.

Moreover, the program level was chosen to guard against the masking of conflict and variation that may take place at the agency level. The 29 programs were chosen from a stratified sample. The stratification involved two criteria. First, the programs must have at least 50 million dollars of budget authority by FY 1991 to eliminate smaller programs. Second, to be included in the study, the program accounts must have been in existence for at least 20 years so that time series regression analysis could be employed. The President's requests are located in the Budget of the United States and the Congressional response to these requests are listed in the same document the year after presidential submission.

The dependent variable will be calculated in the same manner as the previous chapter:

$$\frac{|P - C|}{P}$$

The equation represents the absolute percentage difference between the President's requests and Congressional enactment of the request.[2] The smaller this percentage difference, the more successful a President is in his budgetary requests. Again the emphasis of this research is on the intra-year differences between the President and Congress and not the prediction of the actual appropriation amounts. Thus, 29 dependent

[2] For the program levels, supplemental appropriations are not included since they could substantially alter the findings for individual program appropriations (see Appendix).

variables were calculated and tested with the independent variables detailed in chapter 4 using regression analysis. Negative coefficients indicate variables that may make the difference between Congress and the President smaller and thus the President more successful. Positive coefficients may increase this difference and make presidents less successful.

Results

The twenty-nine program accounts represent nearly all government departments and several independent agencies. Although selected randomly, the program accounts can be separated into two categories: Administrative programs and substantive policy programs. The administrative category includes eleven programs that are exclusively government management functions such as salaries, auditing, and property management. Due to civil service protections and legal government oversight requirements, these areas may produce less conflict between the President and Congress (Palumbo and Maynard-Moody, 1991) .[3]

The substantive category covers eighteen programs that are involved in the actual implementation of policy priorities such as educational aid to disadvantaged children and disease control. Since these programs involve policy priorities, the potential for conflict may be increased. The basic statistics for these programs are listed in Tables 6-1 and 6-2.

[3] Presidents have challenged civil service requirements. Most recently in 1993, a commission chaired by Vice President Gore issued a plan called Reinventing Government that included recommendations to eliminate government positions, but this elimination is being accomplished through attrition and not layoffs.

Table 6-1. Basic Statistics for Administrative Programs, Absolute Percentage Difference for Budget Authority between Presidential Requests and Congressional Enactment FY 1956-1993

Program Account	Mean	Standard Deviation	Minimum	Maximum	N
Bureau of the Census	8%[#]	9%	0	36%	38 years
Department of Housing, Salaries and Expenses	17%	35%	0	183%	26 years
Department of Justice, Salaries and Expenses	11%	19%	0	100%	38 years
Department of Labor, Salaries and Expenses	3%	6%	0	27%	38 years
Department of Treasury, Salary and Expenses	9%	14%	0	43%	38 years
Federal Payment to District of Columbia	11%	9%	0	31%	38 years
General Services, Administration of Personal Property	19%	66%	0	400%	37 years
Office of the Inspector General for Agriculture Department	4%	5%	0	16%	29 years
Small Business Administration, Salaries and Expenses	24%	52%	0	281%	34 years
United States Customs Service, Salaries and Expenses	4%	5%	0	20%	38 years
U.S. Marshals, Salaries and Expenses	8%	12%	0	61%	38 years

Source - Budget of the United States FY 1956-1994.
Note - [#]All percentages are rounded.

Table 6-2. Basic Statistics for Policy Programs, Absolute Percentage Difference for Budget Authority Between Presidential Requests and Congressional Enactment FY 1956-1993

Program Account	Mean	Standard Deviation	Minimum	Maximum	N
Bureau of Reclamation, Construction	8%[#]	9%	0	72%	38 years
Center for Disease Control, Research and Training	56%	141%	0	800%	38 years
Coast Guard, Operating Expenses	3%	4%	0	20%	38 years
Compensatory Education for Disadvantaged Children	10%	14%	0	63%	26 years
Corps of Engineers, Operations	5%	7%	0	38%	38 years
Federal Aviation Administration	36%	64%	0	248%	34 years
Food and Drug Administration	7%	7%	0	29%	38 years
Foreign Agricultural Service	6%	10%	0	50%	38 years
Forest Service Research	12%	9%	0	33%	38 years
Geological Surveys and Research	5%	6%	0	28%	38 years
NASA, Research and Program Management for Transportation	10%	10%	0	41%	29 years
National Institute of Medicine, Disorders and Strokes	13%	12%	0	52%	24 years
National Institute of Medicine. Environmental Sciences	9%	10%	0	45%	26 years

Table 6-2. Continued

Program Account	Mean	Standard Deviation	Minimum	Maximum	N
National Foundation for the Endowment of the Arts	9%	11%	0	43%	27 years
National Science Foundation, Research Activities	10%	10%	0	40%	38 years
Refugee Entrance Assistance	25%	30%	0	152%	31 years
Soil Conservation, Watershed and Flood Prevention	46%	70%	0	319%	38 years
Veteran's Administration, Construction	25%	48%	0	246%	38 years

Source- Budget of the United States FY 1956-1994.
Note - *All percentages are rounded.

Tables 6-1 and 6-2 illustrate that the amount of difference between the President's requests and Congressional enactment varies greatly among different programs. Among the administrative programs, the overall mean is 10% while the policy programs have a combined mean difference of 16%. Moreover, great variation exists among the programs in the two categories. 14 of the programs have at least one year in which the difference between the Congress and the President was 50%. Since different programs show different degrees of conflict, the responsiveness of the model proposed in chapter 4 may also vary among programs. With the descriptive analysis introduced, the next part of the chapter will apply the explanatory model to both the administrative programs and the policy programs.

Administrative Programs

The full explanatory model is applied to the administrative programs in Table 6-4. As in chapter 5, if the autocorrelation is present, autoregressive parameters are utilized. The table shows the parameter estimates along with their respective t scores.

The complete model for the administrative programs explain different amounts of the variation with few of the variables being significant. The program that fits the model the best is the Department of Labor with presidential approval significant in the correct direction (t score = -2.75). This program also responds to the changing employment circumstances during the period of budgetary consideration (t score = 3.7). Presidents use various programs under the Department of Labor when the economy is in recession. This may help explain the responsiveness of the model to this program. Congressional unity measures are significant in with an unexpected sign in two of the equations (D. of Labor and Small Business). The presence of opposition unity statistics in the calculation of party unity measures may account for this occurrence (Orstein, Mann, and Malbin, 1992). The other programs generally are not as responsive to the model. However, as in the aggregate analysis, the presence of multicollinearity may alter the findings. Moreover, the weaker coefficients in the model may also affect the Adj. R-squared presented in the tables.

As mentioned above, the role of Congress in responding to presidential requests may have been altered in recent years. Once known as the guardian of the treasury, the House may have members that may gain rewards for increasing spending beyond presidential requests. Senators also may have this pressure to spend. Thus, the.

Table 6-3. Selected Independent Variables Regressed Upon the Absolute Diffrence in Budget Authority Between Presidential Requests and Congressional Enactment FY 1956-1993 for Administrative Programs

	B. of Census	D. of Housing	D. of Justice	D. of Labor	D. of Treasury	D. of Columb.	Gen. Services
Intercept	-.708 (-1.24)	.747 (.311)	-1.58 (-1.32)	-.493 (-2.09)	-1.51 (-1.83)	1.014 (2.0)	-2.32 (-.554)
President. Approval	001 (.67)	.007 (.982)	.001 (.470)	-.002 (-2.75)	-.002 (-1.064)	.003 (2.193)	-.004 (-.318)
Divided Government	-.05 (-1.27)	.2022 (.742)	-.147 (-1.702)	-.023 (-1.36)	-.0001 (-.003)	-.056 (-1.52)	.190 (.609)
House Unity	.004 (.640)	.030 (.756)	.013 (.872)	.003 (1.33)	.010 (.987)	-.0004 (.067)	.065 (1.226)
Senate Unity	.0003 (.055)	-.034 (-1.118)	.016 (1.226)	.006 (2.55)	.004 (.538)	-.008 (-1.50)	.032 (.685)
Opposition House Unity	-.004 (-.635)	-.034 (-1.047)	-.019 (-1.328)	-.003 (-1.12)	-.006 (-.643)	.001 (.243)	-.072 (-1.40)
Opposition Senate Unity	.0077 (1.332)	.052 (1.761)	.009 (.744)	-.0005 (-.243)	.011 (1.37)	-.005 (-1.096)	.019 (.456)
Mandatory Spending	.001 (.795)	-.036 (-1.491)	.005 (1.226)	.001 (1.93)	.003 (1.178)	-.0003 (-.162)	-.004 (-.283)
War Dummy	.0357 (.635)	-.38 (-.915)	.033 (.284)	.013 (.561)	.061 (.754)	-.060 (-1.20)	-.262 (-.634)
Unemploy.	.0004 (.272)	.003 (.343)	.0001 (.037)	.0005 (.669)	.00006 (.023)	-.0006 (-.381)	-.003 (-.244)
Change in Unemploy.	.0003 (1.38)	.001 (1.22)	.0004 (.842)	.0004 (3.73)	-.0002 (-.710)	-.0001 (-.477)	.00006 (.033)
Change in Revenue Forecast	.0001 (.385)	-.002 (-1.45)	-.0001 (.744)	.0003 (1.92)	-.00005 (-.078)	.0008 (.188)	-.002 (-.743)
R-squared	.214	.524	.178	.695	.264	.406	.215
Adj. R-squared	-.117	.15	-.168	.566	-.046	.1553	-.129
Durbin Watson	2.48	2.41	2.65	2.51	2.56	1.97	1.922

Table 6-3. Continued

	Inspector Gen.	Small Business	U.S. Customs[@]	U.S. Marshals
Intercept	-.391 (-1.054)	-.95 (.324)	.078 (.236)	.009 (.011)
Presidential Approval	-.0006 (-.567)	.006 (.759)	-.0001 (-.152)	.001 (.649)
Divided Government	.062 (1.54)	-.047 (-.181)	.032 (1.33)	.023 (.284)
House Unity	-.004 (-.837)	.071 (1.43)	-.003 (-.756)	-.007 (-.493)
Senate Unity	.002 (.624)	.001 (.032)	.004 (1.112)	.006 (.690)
Opposition House Unity	.004 (1.010)	.001 (.044)	-.0004 (-.107)	.001 (.158)
Opposition Senate Unity	.004 (1.079)	-.085 (-2.71)	-.0001 (-.034)	-.001 (-.199)
Mandatory Spending	-.002 (-1.044)	.034 (1.82)	.0009 (.692)	.0003 (.066)
War Dummy	.054 (1.34)	-.130 (-.450)	-.016 (-.490)	.046 (.551)
Unemployment	.0004 (.369)	-.004 (-.407)	-.001 (-1.362)	-.0002 (-.074)
Change in Unemployment	-.0001 (-.688)	-.001 (-1.34)	.00006 (.440)	.0009 (.231)
Change in Revenue Forecast	-.00009 (-.034)	.007 (2.96)	-.0005 (-1.835)	-.0003 (-.506)
R-squared	.44	.473	.296	.119
Adj. R-squared	.08	.21	-.0096	-.341
Durbin Watson	2.3	1.8	1.3	2.37

Note - [@]Indicates that the Durbin Watson statistic is not above the upper limit. Conversion to autoregressive parameters was attempted but autocorrelation was still present. The lag of the dependent variable was inserted as an independent variable and the H statistic was calculated. With the presence of the lag variable, no variables were significant similar to the output shown of the original regression analysis.

directional variable is also added to the model to determine when Congress increases presidential requests is the difference more than when Congress decreases presidential requests The directional variable is 0 for decreases and no change and 1 for increases in presidential requests. The results are listed in Table 6-4.

Table 6-4 shows that the directional variable is significant in 5 out the 11 programs. The coefficients are positive which indicates that when Congress increases requests, these requested increases make up a larger difference than when Congress decreases presidential requests. With Democratic control of at least one of the houses of Congress during the entire period examined, the propensity to spend is seemingly apparent. The significance of the directional variables may suggests even more revisions are needed to Fenno's guardian of the treasury thesis to describe Congressional involvement in responding to presidential requests.

The final analysis of the administrative programs will isolate only the equations with significant variables or variables with t-scores near 2 from the original model. The results are in table 6-5.

Table 6-5 displays a degree of responsiveness of the administrative programs to the proposed model. Presidential approval and divided government are both significant in the hypothesized direction in one program respectively (D. of Labor and Small Business). The party unity variables are significant in the hypothesized direction in five of the programs highlighting the importance of party cohesion in responding to the President's budget, but a party unity variable is significant with an unexpected sign in two equations (Small Business, D. of Labor). Mandatory spending is significant in one.

Table 6-4. Reduced Model with the Addition of the Directional Variable for Administrative Programs

	B. of Census	D. of Housing	D. of Justice	D. of Labor	D. of Treasury	D. of Columb.	Gen. Services
Intercept	-.55 (-2.219)	.810 (.360)	.353 (.555)	-.222 (-1.440)	-.735 (-1.776)	1.05 (2.39)	.492 .181
Presidential Approval		.002 (.348)		-.002 (-3.57)	.0006 (.287)	.003 (2.35)	
Divided Government	-.041 (-1.52)		.05 (-.867)			-.060 (-1.84)	
House Unity		.042 (1.26)					.048 (1.26)
Senate Unity		-.05 (-2.093)	.005 (.521)	.006 (2.32)		-.007 (-1.63)	
Opposition House Unity			-.007 (-1.00)	-.001 (-.851)			-.049 (-1.84)
Opposition Senate Unity	.008 (2.55)	.007 (.039)			.008 (1.521)	-.005 (-1.31)	
Mandatory Spending			-.002 (-.899)		.002 (1.20)	-.0004 (-.244)	
War Dummy		-.025 (-.135)			.037 (.714)	-.068 (-1.45)	-.309 (-1.09)
Unemployment				.0007 (1.32)		-.0009 (-.694)	
Change in Unemployment	-.00005 (-.255)	.001 (1.061)		.0003 (3.556)	-.0003 (-1.23)		
Change in Revenue Forecast							-.005 (-1.51)
Directional Variable	.12 (3.372)	.09 (.615)	.242 (3.53)	.004 (.316)	.148 (2.79)	.015 (.379)	.45 (1.82)
R-squared	.36	.32	.335	.58	.37	.402	.25
Adj. R-squared	.292	.05	.232	.50	.251	.237	.132
Durbin Watson	2.60	2.52	2.25	2.21	2.43	1.98	1.96

Table 6-4. Continued

	Inspector General	Small Business	U.S. Customs[@@]	U.S. Marshals
Intercept	-.150 (-1.20)	1.78 (1.10)	.055 (.024)	-.496 (-.721)
Presidential Approval				.001 (.924)
Divided Government	.022 (1.058)	.277 (1.37)		
House Unity			-.0033 (-1.092)	
Senate Unity			.004 (1.5216)	.01 (1.53)
Opposition House Unity		.031 (1.37)		-.004 -(.593)
Opposition Senate Unity	.002 (1.17)	-.063 (-2.20)		
Mandatory Spending	-.0007 (-.562)	.003 (.397)	.0008 (.865)	
War Dummy	.019 (.966)	-.112 (-.525)		.052 (.973)
Unemployment			-.0011 (-1.625)	
Change in Unemployment	.00005 (.472)	-.001 (-1.56)		
Change in Revenue Forecast			-.0055 (-2.138)	-.0001 (-.323)
Directional Variable	.063 (4.27)	.325 (1.886)	.016 (.871)	.092 (2.16)
R-squared	.644	.476	.130	.241
Adj. R-Squared	.547	.308	.04	.062
Durbin Watson	2.04	2.02	1.34	2.20

Note -[@@]Indicates that the Durbin Watson statistic is not above the upper limit. Autoregressive procedure was performed but autocorrelation was still present. The lag of the dependent variable was inserted as an independent variable and the H statistic was calculated. The statistic indicated no autocorrelation. The parameters of the lag equation are similar to the equation presented except that the change in revenue forecast variable was significant in the lag equation.

Table 6-5. Models Highlighting Significant Variables or Variables with the Highest t-Scores for Administrative Programs

	B. of Census	D. of Housing	D. of Justice	D. of Labor	D. of Treasury	D. of Columb.	Gen. Services
Intercept	-.347 (-1.23)	2.80 (2.056)	.153 (2.85)	-.281 (-1.90)	-.09 (-1.03)	.524	-2.81 (-1.18)
Presidential Approval				-.0002 (-4.16)		.003 (3.43)	
Divided Government			-.056 (-.874)			-.06 (-2.31)	
House Unity							.038 (1.26)
Senate Unity		-.03 (-1.929)		.006 (4.058)		-.003 (-1.97)	
Opposition House Unity							
Opposition Senate Unity	.005 (1.53)						
Mandatory Spending					.003 (2.077)		
War Dummy							
Unemploy.							
Change in Unemploy.				.0004 (4.058)			
Change in Revenue Forecast							
Directional Variable							
R-squared	.06	.13	.020	.549	.107	.34	.043
Adj. R-squared	.03	.09	-.006	.509	.082	.281	.016
Durbin Watson	2.05	2.35	2.27	1.98	2.182	1.92	1.79

Table 6-5. Continued

	Inspect. Gen.	Small Business	U.S. Customs*	U.S. Marshals
Intercept	-.406 (-2.38)	1.06	.097 (2.12)	.439 (.899)
Presidential Approval				.002 (1.057)
Divided Government		.343 (2.098)		
House Unity				-.006 (-.890)
Senate Unity				
Opposition House Unity		.049 (2.27)		
Opposition Senate Unity	.005 (2.43)	-.069 (-2.41)		
Mandatory Spending				
War Dummy	.049 (2.29)			
Unemployment			-.0008 (-1.21)	
Change in Unemployment				
Change in Revenue Forecast		.007 (3.089)		
R-squared	.238	.336	.213	.042
Adj. R-squared	.179	.245	.04	-.021
Durbin Watson	1.96	1.78	1.90	2.09

Note - *Indicates that the original equation had a Durbin Watson statistic below the upper limit. Autoregressive parameters with a lag of 1 were tested to correct for the presence of autocorrelation. These parameters are displayed in the table

of the programs in the hypothesized direction (D. of Treasury). While not applicable to every administrative program tested, the model of presidential influence in Congress seemingly has a role in determining differences over budgetary priorities for certain programs.

Substantive Policy Programs

The results for explanatory analysis of substantive policy programs for the complete models are exhibited in table 6-6. Since these programs are involved in the actual implementation of policy, and the difference between Congress and the President regarding spending priorities are larger than the previous category, the President may need to call upon traditional levers of influence to bring Congress closer to his requested budget.

The programs in table 6-6 demonstrate more responsiveness to the model than the administrative programs. In particular, the model applied to such high profile programs as educational aid and refugee assistance explains much of the variation (Adj. R-squared=.47 and .71 respectively). Programs such as the FAA have high Adj. R-squared statistics but do not have significant variables, suggesting multicollinearity. Reduced models with the addition of the directional variable will attempt to highlight explanatory variables in table 6-7.

The results in table 6-7 show that the directional variable is significant in four of the equations. Two of these programs (Forest Service and Corps of Engineers) manage large construction and renourishment projects that can create employment. Congress may attempt to appease constituents by providing more employment with these programs.

Table 6-6. Selected Independent Variables Regressed upon the Absolute Difference in Budget Authority between President and Congress for Substantive Policy Programs FY 1956-1993

	B. of Reclam.	Center for Disease	Coast Guard	Comp. Educ.**	Corps of Engin.	FAA@	Food and Drug Ad.@	For. Agricul.
Intercept	1.612	-5.43	-.431	.44	-.303	-2.95	-.556	.750
	(1.942)	(-.613)	(-2.48)	(.681)	(-.716)	(-.848)	(-1.27)	(-1.24)
Presidential Approval	.0009	.010	.0007	-.002	.007	.006	.0001	-.0004
	(.353)	(.367)	(1.30)	(-1.12)	(.585)	(.654)	(.109)	(-.257)
Divided Government	-.0168	.153	.003	.006	.0105	.122	.028	.019
	(-.278)	(.239)	(.317)	(.079)	(.343)	(.394)	(.907)	(.450)
House Unity	-.014	.161	.002	-.026	-.003	-.062	.007	.012
	(-1.39)	(1.43)	(.942)	(-2.35)	(-.673)	(-1.06)	(1.27)	(1.660)
Senate Unity	-.007	.046	.0004	.009	.003	.035	-.001	.0009
	(-.795)	(.476)	(.255)	(1.155)	(.653)	(.873)	(-.256)	(.138)
Opposition House Unity	-.002	-.175	.0008	.005	.001	.071	.0003	-.002
	(-.252)	(-1.617)	(.396)	(.579)	(.886)	(1.70)	(.059)	(-.402)
Opposition Senate Unity	.003	.036	.0009	.0003	.002	-.021	.0003	.001
	(.413)	(.408)	(.526)	(.004)	(.584)	(-.575)	(.089)	(.173)
Mandatory Spending	-.0002	.016	.002	.001	-.0002	.0001	.004	-.0007
	(-.067)	(.473)	(3.95)	(.210)	(-.137)	(.008)	(2.58)	(-.311)
War Dummy	-.079	-.769	.0106	.1313	.015	.251	.030	.007
	(-.969)	(-.880)	(.620)	(1.004)	(.362)	(.739)	(.703)	(.129)
Unemploy.	.001	-.0003	-.001	.007	.001	.016	-.0022	-.0002
	(.695)	(-.119)	(-1.83)	(2.74)	(.886)	(1.35)	(-1.57)	(-.114)
Change in Unemploy.	-.0001	-.002	.0001	.0005	.0001	.001	.0002	-.0001
	(-.414)	(-.622)	(1.39)	(1.65)	(.672)	(1.03)	(1.029)	(-.415)
Change in Revenue Forecast	-.0009	.0004	.0002	.001	.00006	-.002	-.00006	-.0004
	(-.134)	(.054)	(1.446)	(2.32)	(.191)	(-.756)	(-.018)	(-.962)
R-squared	.215	.217	.63	.759	.196	.51	.40	.248
Adj. R-squared	-.116	-.113	.47	.752	-.143	.27	.143	-.07
Durbin Watson	2.18	1.814	2.24	1.89	2.58	1.32	1.76	2.06

Table 6-6. Continued

	Forest Service	Geologic. Surveys	NASA, Research	National Institute for Strokes	National Institute for Environ.	Nat. Endow. for Arts	Nat. Science Found.
Intercept	.684 (1.51)	-.143 (-.437)	-.367 (-.527)	.6305 (.608)	-.452 (-.773)	.120 (.137)	-.838 (-1.56)
Presidential Approval	-.0004 (-.342)	-.001 (-1.441)	.003 (1.57)	-.004 (-1.084)	.003 (1.69)	-.0011 (-.403)	-.001 (-.820)
Divided Government	.080 (2.45)	.002 (.106)	.014 (.185)	.086 (.709)	-.034 (-.512)	.017 (.172)	-.047 (-1.20)
House Unity	-.007 (-1.24)	-.0007 (-.184)	-.003 (-.299)	.008 (.509)	.018 (1.89)	-.019 (-1.32)	.008 (1.179)
Senate Unity	-.006 (-1.36)	.001 (.284)	.015 (1.771)	-.009 (-.619)	-.002 (-.388)	.015 (1.36)	.009 (1.54)
Opposition House Unity	.006 (1.190)	.0022 (.559)	-.011 (-1.38)	.031 (1.26)	-.004 (-.503)	-.0005 (-.044)	-.006 (-.941)
Opposition Senate Unity	.001 (.307)	-.0001 (-.033)	.008 (1.089)	-.021 (-1.48)	-.007 (-1.060)	.007 (.691)	.004 (.877)
Mandatory Spending	-.004 (-2.34)	.0004 (.334)	-.001 (-.317)	-.019 (-1.32)	.003 (.558)	-.007 (-.852)	-.0013 (-.632)
War Dummy	-.057 (-1.28)	.007 (.231)	-.037 (-.491)	-.088 (-.469)	-.093 (.918)	.0372 (.242)	-.045 (-.854)
Unemploy.	.0007 (.484)	.0007 (.728)	-.003 (-1.448)	-.002 (-.538)	-.002 (-.943)	.002 (.900)	-.001 (-.824)
Change in Unemploy.	-.0002 (-1.167)	.0002 (1.83)	.0001 (.638)	-.0002 (-.493)	-.0003 (-1.57)	.0003 (1.07)	.0002 (1.168)
Change in Revenue Forecast	.0004 (1.179)	.0003 (1.25)	-.0004 (-.899)	.001 (1.499)	.001 (3.440)	.00006 (.085)	-.00002 (-.054)
R-squared	.395	.38	.3890	.358	.636	.348	.352
Adj. R-squared	.14	.13	-.0063	-.229	.351	-.128	.079
Durbin Watson	2.34	2.07	2.59	2.441	2.34	1.98	2.72

Table 6-6. Continued

	Refugee Ass.	Soil Conserv.	Vet. Admin.
Intercept	-1.113 (-.631)	-4.41 (-1.275)	4.94 (1.75)
President. Approval	-.014 (-2.73)	.0033 (.303)	-.0022 (-.249)
Divided Gov.	.030 (.150)	.309 (1.228)	.250 (1.224)
House Unity	.037 (1.317)	-.055 (-1.27)	-.074 (-2.098)
Senate Unity	.039 (1.964)	.019 (.518)	-.035 (-1.13)
Opposition House Unity	-.021 (-1.036)	.070 (1.65)	.041 (1.21)
Opposition Senate Unity	-.014 (-.799)	.009 (.272)	.008 (.299)
Mandatory Spending	.007 (.588)	.003 (.219)	-.0248 (-2.23)
War Dummy	-.533 (-2.883)	.438 (1.28)	-.023 (-.085)
Unemploy.	-.019 (-3.29)	.015 (1.39)	.016 (1.85)
Change in Unemploy.	-.0001 (-.233)	-.0006 (-.397)	-.002 (-2.00)
Change in Revenue Forecast	-.0011 (-.801)	-.004 (-1.58)	-.0001 (-.061)
R-squared	.54	.497	.295
Adj. R-squared	.287	.284	-.002
Durbin Watson	2.81	1.86	2.04

Notes -** Indicates autoregressive parameters with a lag of 2. The DW statistic presented is the statistic after the autoregressive procedure was performed.

@Indicates that the Durbin Watson statistic is not above the upper limit. Autoregressive procedure was performed but autocorrelation was still present The lag of the dependent variable was inserted as a independent variable and the H statistic was calculated and autocorrelation was not evident.

Table 6-7. Reduced Models for Policy Programs with Addition of Directional Variable

	B. of Reclam.	Center for Disease	Coast Guard	Comp. Educ.@	Corps of Engin.	FAA**	Food and Drug Admin.	For. Agricul.
Intercept	1.46 (2.23)	-4.82 (-.821)	-.251 (-2.3)	.874 (188)	-.206 (-1.024)	-3.27 (-2.079)	-.383 (-1.32)	-.797 (-1.75)
President. Approval			.000 (1.831)	-.004 (-2.39)	.0005 (.565)			
Divided Govern.		-.066 (-.110)			.007 (.294)		.014 (.469)	-.001 (.030)
House Unity	.012 (-1.94)	.176 (2.21)		-.014 (-2.20)			.005 (1.52)	.013 (2.290)
Senate Unity	-.078 (-1.179)							.002 (.357)
Opposition House Unity		-.107 (-1.90)	.0001 (.728)			.033 (1.744)		-.004 (-.953)
Opposition Senate Unity			.0008 (.485)		.001 (.754)			
Mandatory Spending			.002 (5.026)					
War Dummy	-.078 (-1.179)	-.611 (-.960)		.059 (1.25)				
Unemploy.	.001 (.794)		-.0008 (-2.35)	.005 (3.89)	.0007 (.994)	.012 (1.68)	-.002 (-2.36)	
Change in Unemploy.				.0004 (2.02)			.0002 (1.26)	-.0001 (-.456)
Change in Revenue Forecast			.0002 (1.48)	.001 (3.73)				-.0004 (-.991)
Directional Dummy Variable	.028 (.606)	.756 (1.150)	-.005 (-.485)	.129 (3.21)	.0496 (2.34)	.339 (1.67)	.051 (1.79)	.021 (.513)
R-squared	.209	.21	.593	.77	.265	.51	.524	.245
Adj. R-squared	.086	.09	.498	.69	.150	.342	.398	.068
Durbin Watson	2.15	1.92	2.22	1.49	2.15	1.76	2.01	2.02

Table 6-7. Continued

	Forest Service	Geolog. Surveys	NASA Research	National Institute for Strokes	National Institute for Environ.	Nat. Science Found.
Intercept	.76 (2.442)	-.0764 (-.586)	-.280 (-.758)	-.127 (-.257)	-.638b (-1.40)	-.617 (1.67)
Presidential Approval		-.0015 (-1.991)	.002 (1.90)	-.003 (-1.53)	.002 (1.50)	
Divided Government	-.004 (-.155)					-.054 (-1.64)
House Unity	-.0077 (-1.959)				.009 (1.41)	.003 (.744)
Senate Unity	-.003 (-.990)		.0119 (1.72)			.007 (1.75)
Opposition House Unity	.003 (1.319)	.0017 (1.00)	-.006 (-1.42)	.023 (2.22)		
Opposition Senate Unity				-.009 (-.965)	-.002 (-.687)	
Mandatory Spending				-.014 (-1.84)		-.002 (-1.89)
War Dummy						
Unemploy.		.006 (1.055)	-.002 (-2.18)			
Change in Unemploy.	-.0004 (-.251)	.0002 (1.829)	.0001 (.560)		-.0003 (-1.56)	.0001 (.833)
Change in Revenue Forecast				.0008 (1.15)	.001 (3.84)	
Directional Variable	.124 (4.17)	.0321 (1.85)	-.016 (-.464)	.123 (2.15)	.042 (1.10)	.059 (1.29)
R-squared	.619	.435	.337	.391	.57	.324 (.193)
Adj R-squared	.496	.326	.157	.177	.584	.193
Durbin Watson	1.993	1.76	2.56	1.87	1.95	2.65

Table 6-7. Continued

	Refugee Ass.	Soil Conserv.*	Vet. Admin.
Intercept	-1.12 (-.799)	-3.46 (-1.39)	5.40 (2.54)
Presidential Approval	-.013 (-2.57)		
Divided Government		.371 (1.83)	.168 (.911)
House Unity	.021 (1.114)	-.047 (-1.46)	-.07 (-2.43)
Senate Unity	.035 (1.85)		-.034 (-1.22)
Opposition House Unity	-.0159 (-1.11)	.081 (3.39)	.043 (1.73)
Opposition Senate Unity			
Mandatory Spending			-.025 (-2.67)
War Dummy	-.480 (-2.72)	.301 (.919)	
Unemploy.	-.014 (-3.113)	.012 (1.57)	.017 (2.53)
Change in Unemploy.			-.002 (-2.017)
Change in Revenue Forecast		-.004 (-1.82)	
Directional Variable	.020 (.176)	.296 (1.016)	.201 (1.20)
R-squared	.475	.502	.324
Adj. R-squared	.315	.385	.138
Durbin Watson	2.46	1.78	2.107

Notes - @Indicates that the Durbin Watson statistic is not above the upper limit. Autoregressive procedure was performed but autocorrelation was still present. The lag of the dependent variable was inserted and the H statistic was calculated. The statistic indicated no autocorrelation. The results of the lag equation showed the significant variables were the exact variables that are significant in the results of the original equation that displayed in the table.

*Indicates autoregressive parameters with a lag of 1.

*Indicates autoregressive parameters with a lag of 2. The Durbin Watson statistic is the statistic presented in the autoregressive equation.

thus increasing the President's requests by a large amount. Yet, this propensity to request large increases over presidential requests is selective and not uniform.

Moreover, seven of these equations show the importance of either presidential approval or the congressional unity variables when other non-significant variables are removed from the equations. The House unity variable is significant in the opposite of the hypothesized direction in two of the equations. To further highlight the significant variables, Table 6-8 demonstrates the equations with only significant variables or variables that have highest t-scores per equation.

Table 6-8 isolates the stronger independent variables. The results show that in ten of the equations at least one of the variables of the model is significant in the hypothesized direction. Presidential approval is significant in the hypothesized direction in two of the equations (Refugee Assistance and Geological Surveys). Refugee aid is an example of a program that centralizes authority in the presidency. Since it is a unpopular issue, the President may need to call upon his personal popularity to acquire funds this program. Surprisingly, this variable is also significant in three other equations but in the opposite direction (Coast Guard, NASA, National Institute for the Environmental Sciences) However in all of these equations, a stronger independent variable is present that helps to explain the significance of the approval variable. For example, the Coast Guard budget came under intense conflict in the Reagan administration because of the administration's desire to use the Coast Guard to intercept drug traffickers. Because of budgetary pressures in the middle 1980s (mandatory spending), this policy was challenged even though it took place during a time when the President was extremely

Table 6-8. Models with Significant Variables or Variables with High t-scores for Policy Programs

	B. of Reclam.	Center for Disease	Coast Guard	Comp. Educat.	Corps. of Engineer	FAA*	Food and Drug*	For. Agric.
Intercept	1.02 (2.27)	-6.73 (-1.33)	-.12 (-3.21)	.828 (1.58)	-.263 (-1.27)	-3.22 (-1.78)	-.057 (-.802)	-.852 (-2.61)
Presidential Approval			.001 (2.9)					
Divided Government								
House Unity	-.011 (-2.01)	.094 (1.45)		-.015 (-2.13)				.011 (2.80)
Senate Unity								
Opposition House Unity						.03 (1.50)		
Opposition Senate Unity					.004 (1.52)			
Mandatory Spending			.002 (5.80)				.004 (2.69)	
War Dummy								
Unemploy.			-.0009 (-2.44)	.005 (4.73)		.015 (2.02)	-.0011 (-1.16)	
Change in Unemploy.								
Change in Revenue Forecast				.001 (3.33)				
R-squared	.10	.05	.51	.60	.06	.50	.40	.18
Adj-R-squared	.07	.02	.47	.55	.03	.18	.176	.16
Durbin Watson	1.86	1.76	2.01	2.0	2.19	1.77	1.79	1.94

Table 6-8. Continued

	Forest Service	Geolog. Surveys	NASA Research	National Institute for Strokes	National Institute for Environ.	Nat. Endow. for Arts	Nat. Science Found.
Intercept	.188 (3.52)	.132 (3.32)	-.059 (-.806)	.544 (1.22)	-.123 (.348)	-.67 (1.14)	-.49 (-1.50)
Presidential Approval		-.001 (-2.035)	.003 (2.20)		.003 (2.21)		
Divided Government	.068 (2.34)						
House Unity						-.007 (-.987)	.0077 (1.80)
Senate Unity							
Opposition House Unity							
Opposition Senate Unity				-.005 (-.930)			
Mandatory Spending	-.002 (-2.12)						
War Dummy							
Unemploy.							
Change in Unemploy.		.0003 (2.52)					
Change in Revenue Forecast					.001 (3.20)		
R-squared	.174	.20	.15	.037	.40	.13	.08
Adj-R-squared	.127	.24	.12	-.005	.35	.03	.05
Durbin Watson	2.25	1.68	2.45	2.1	1.80	1.91	2.05

Table 6-8. Continued

	Refugee Ass.	Soil Conserv.	Vet. Admin.
Intercept	1.54 (3.96)	-3.770 (-2.019)	.257 (3.36)
Presidential Approval	-.010 (-2.47)		
Divided Government		.422 (1.69)	
House Unity			
Senate Unity			
Opposition House Unity		.049 (2.12)	
Opposition Senate Unity			
Mandatory Spending			
War Dummy	-.48 (-3.40)		
Unemploy.	-.01 (-2.67)		
Change in Unemploy.			-.001 (-1.129)
Change in Revenue Forecast			
R-squared	.35	.41	.034
Adj.- R-squared	.28	.175	.007
Durbin Watson	2.20	2.18	1.92

Note -*Indicates autoregressive parameters with a lag of one

popular. The unemployment variable is also significant in the opposite of the hypothesized direction in this equation due to relatively low unemployment for most of the 1980s.

The divided government variable is significant in the hypothesized direction in only one of the equations (Forest Service). Party is also shown to be important by the significance of the party unity variables in the hypothesized direction in three of the equations (Comp. Education, B. of Reclam, and Soil Conservation). One of these programs that contain significant party unity variables is Compensatory Education for the Disadvantaged. The negative coefficient (-.015) indicating a variable that lessens the difference between the President and Congress highlights the partisan nature of this program that was launched during President Johnson's Great Society. The other two programs are public works programs which may assist legislators in delivering economic aid to constituents. The party unity variable for Foreign Agriculture is significant in the opposite of the hypothesized direction perhaps due to the unusual pattern of support for any program that involves foreign aid.

The mandatory spending variable is significant in two of the equations (Coast Guard and the Food and Drug Administration). The significance of the mandatory variable in the funding of a widely supported regulatory program such as the Food and Drug Administration shows that almost any program could be submitted to budgetary pressures coming from the nondiscretionary side of the budget.

The significance of the unemployment variable, change in unemployment variable, and the change in revenue variable in the hypothesized directions in four of the

equations suggests that even at the program level, budgeting conflict is not immune from the influences of macroeconomic measures. In the Refugee Assistance program, unemployment and war are significant in the opposite of the hypothesized direction. The volatile nature of this program may have little in common with the economic pressures that these two variables represent. As suggested by the framework of this paper, decisionmaking in budgeting occurs on both the aggregate and the program level. Thus, these decisions cannot be totally separate from one another as the incremental model would propose.

In sum, the analysis of the policy programs demonstrates that the explanation of the difference in priority levels between the Congress and the President is aided by the suggested models. However, the applicability of the models is not uniform for all programs. Policy programs where the models are applicable tend to be programs that either have a higher profile such as education, refugee and regulatory programs or programs that are involved in construction and public works such as soil conservation and geological surveys.

Conclusion

Three major conclusions are presented from the program level analysis of presidential influence in budgeting. First, serious policy differences do exist between the President and Congress on spending levels for programs. More than half the programs examined had a mean absolute percentage difference of 10% or more. The administrative/policy dichotomy presented may have some explanatory value. Second, the scientific effort to explain these differences is aided by the use of the suggested

models. These models highlight variables that have been used with other data to explain presidential influence in Congress. Programs that respond to the suggested models are programs that seemingly have a higher profile with certain constituencies or are targeted programs that many increase employment through construction or public works. Third, the programs that did not respond to the models show no particular pattern. The third conclusion simply magnifies the observation that program level budgeting is a form of trench warfare. The battle over spending is fought program by program in the broad guidelines of the aggregate totals. The data presented suggests that presidents and their administrations may choose their battles carefully and use the tools of presidential influence only when needed to advance certain priorities.

CHAPTER 7
POOLED TIME SERIES ANALYSIS OF PRESIDENTIAL BUDGETARY SUCCESS AT THE PROGRAM LEVEL

The analysis in Chapter 6 used separate regression equations for each individual program. The analysis demonstrated that serious differences do exist between the President and Congress for specific programs. The examination in chapter 6 used separate regression equations for each individual program in the database. In this final analysis of the data, the accumulated program data are combined so that pooled time series regression can be performed.

Pooled times series offers the researcher an analytical tool that can combine the examination of many different groups(programs) seen in cross sectional analysis with time series analysis that usually examines a single entity. (Dielman, 1989). Thus this analysis offers a view of the differences between the President and Congress on the program level in pooled regression equations. This procedure offers two important advantages for this study. First, the researcher can compare the program level data with the aggregate data presented in chapter 5. Second, the effect of individual programs on presidential budgetary success can be controlled with program dummy variables.

The first analysis in table 7-1 offers the testing of the original model on the pooled data of the appropriation differences between the President and Congress for the twenty-nine programs listed in chapter 6. An additional variable has been added to Model II. This is a variable that encompasses the magnitude of change between the

current presidential request for a program and the previous year's appropriation. If the President's request is a dramatic change from the previous year, the differences between the President and Congress may be larger in the current year.[1] Again, for the coefficients in table 7-1, negative coefficients aid presidential success and positive coefficients indicate variables that may make the difference between the President and Congress larger implying that the President is less successful.

Model I is the test of the complete model. The results reveal that none of the variables are significant. However, some of the variables have higher t-scores which indicate that these variables may reach significance when other variables are removed from the equation. Model II includes the addition of the magnitude variable. The magnitude variable has a t score of 1.66 and the positive coefficient is in the hypothesized direction but none of the variables are significant.

Model III is the reduced model that removes some of the weaker variables and variables that may be exhibiting multicollinearity. Again, none of the variables are significant. Models IV and V isolate stronger variables that do become significant in a bivariate equation. Model IV shows divided government to be significant in the hypothesized direction. Again, the significance of the divided government variable is important to refute the ideas advanced in the early incremental literature that party is not an important factor in budgeting. Model V highlights the significance of the Senate unity variable. However , the sign of the variable is the opposite of the hypothesized direction.

[1]Variable was calculated by taking the absolute difference between the Presidential request for the current year and the Congressional enactment of the previous year for the particular program. The difference is adjusted for inflation to give the absolute difference from the previous year.

Table 7-1. Pooled Time Series Analysis of the Absolute Difference Between Presidential Requests and Congressional Enactment of Budgetary Appropriations for 29 Programs FY 1956-1993

	Model I	Model II	Model III	Model IV	Model V
Intercept	-.022 -(.064)	-.085 (-.222)	-.174 (-1.60)	.095 (4.16)	-.099
Presidential Approval	.0009 (.659)	.0007 (.445)			
Divided Government	.032 (.870)	.032 (.748)	.048 (1.34)	.073 (2.66)	
House Unity	.002 (.884)	.001 (.649)	.001 (.970)		
Senate Unity	.003 (.0022)	.0044 (1.718)	.003 (1.56)		.005 (3.005)
Opposition House Unity	-.003 (-.657)	-.004 (-.750)			
Opposition Senate Unity	.0002 (.052)	.0024 (.465)			
Mandatory Spending	-.00009 (-.054)	-.0005 (-.261)	-.0013 (-.880)		
War Dummy	-.009 (-.188)	-.004 (-.077)			
Unemployment	.001 (1.35)	.001 (1.35)			
Change in Unemployment	-.0001 (-.912)	-.0001 (-.724)			
Change in Revenue Forecast	.0001 (.282)	-.0002 (-.623)			
Magnitude of Change from Previous Year		.016 (1.663)	.016 (1.67)		
R-squared	.019	.024	.022	.0070	.0089
Adj-R-squared	.008	.010	.015	.0060	.0080

Since the measurements for party unity variables are based upon votes in which both the Democratic and Republican parties are unified, this finding may reflect the fact that when President's party is unified in Congress; the opposition party in Congress is also unified.

One of the strengths of this analysis is the ability to control for individual programs. Table 7-2 is a pooled time series analysis with the addition of dummy variables for the programs.

Model I shows the complete model with the dummy variables and no variables are significant. Model II displays a reduced model with the stronger coefficients but none of the variables reach the significance level. Models III-V display one of the variables from the original model with the dummy variables representing the agencies. Model III shows divided government to be significant in the hypothesized direction. The unemployment variable is significant in Model IV in the hypothesized direction, perhaps indicating the struggle over program resources increases when the national economy is experiencing unemployment. Finally, Model V shows Senate unity to be significant in the opposite of the hypothesized direction. A possible explanation for this significance is offered above.

The dummy program variables reveal an important pattern. The omitted program is the Bureau of the Census which has a mean difference of 8%. In relation to this program, five programs are significant or have a t-score above 1.8 and have positive coefficients in all of the equations in Table 7-2. All of these five programs come from the substantive policy category utilized in chapter 6.

Table 7-2. Pooled Time Series Analysis of the Absolute Difference between Presidential Requests and Congressional Enactment of Budgetary Appropriations for 29 Programs with the Addition of Dummy Variables Controlling for Individual Programs

	Model I	Model II	Model III	Model IV	Model V
Intercept	-.089# (-.265)	-.211 (-1.92)	.030 (.457)	-.076 (-.962)	-.158 (-1.56)
Presidential Popularity	.0008 (.637)				
Divided Government	.035 (.988)	.049 (1.606)	076 (2.87)		
Senate Unity	.033 (1.57)	.003 (1.47)			.0055 (3.065)
House Unity	.002 (.903)	.001 (1.097)			
Opposition Senate Unity	.0003 (.071)				
Opposition House Unity	-.003 (-.672)				
Mandatory Spending	-.00002 (-.015)	-.0009 (-.668)			
War Dummy	-.0088 (-.191)				
Unemployment	.001 (1.38)	.001 (1.73)		.002 (3.32)	
Change in Unemployment	-.0001 (-.892)				
Change in Revenue Forecast	.0001 (.335)				
R-squared	.112	.120	.109	.112	.111
Adj-Rsquared	.086	.09	.083	.086	.0845

Note - #The coefficients for the program dummies are not displayed. The explanation of significant dummy variables is included on the following page.

The programs are Center for Disease Control, FAA Operations, Refugee Entrance Assistance, Soil Conservation, and Veteran's Administration Construction. These programs either involve public works or controversial policy initiatives. Either of these subjects may be particularly important for the President. Interestingly, these positive coefficients may signal that these programs are sources of presidential-congressional conflict.

In comparison with the aggregate data, the pooled analysis offers two similarities: the significance of the divided government variable in the reduced models. Although, anecdotal descriptions of the budgeting process emphasizes the importance of party, the empirical literature generally has not confirmed this importance. The significance of the divided government variable bolsters the argument for the importance of party in budgeting. Unemployment is also significant adding credence to the argument that macroeconomic indicators may be significant on the program level.

The overall model seems to be more responsive to the aggregate data than the pooled program data. Chapter 6 may offer an explanation for this difference because it displayed that certain programs with certain characteristics respond to the traditional variables of presidential influence in Congress while other programs do not respond. This pooled analysis may confirm the findings in chapter 6 that budgeting at the program level is series of separate struggles contained in an aggregate framework. For some of these struggles, the President must utilize the traditional variables of presidential influence. For some programs these levers are not required. The pooled analysis also highlights the need for further research in agency specific variables that may help

determine the difference between the executive and legislative branches on the program level.

CHAPTER 8
CONCLUSIONS

This project has suggested that in the study of presidential success in Congress, the battle over the federal budget offers both an important theoretical avenue and a valid empirical method of evaluating presidential success. An examination of other measures of presidential success offered three criticisms: 1) Roll call measures of presidential success do not isolate presidential initiatives. 2) When scholars do attempt to test the success of presidential priorities in Congress, these priorities are difficult to define and quantitatively measure. 3) Most previous measures of presidential success do not separate priorities by policy area.

An analysis of the success of the President's budget in Congress can overcome these obstacles. The budget itself in initiated with the President, and the spending and taxing levels included in the budget are the outputs of presidential priorities. The budget is also clearly defined by policy area. How Congress alters these presidential recommendations should be a valid test of the success of presidential priorities.

Traditional explanatory variables of presidential success such as presidential popularity, party unity in Congress, ideology in Congress were combined with other institutional and economic variables to develop a model to examine presidential discretionary budgetary success in Congress. One of most important new variables

tested in this model was the percentage of mandatory budget authority in the overall budget and its possible effect on the discretionary side of the budget.

On the aggregate level, the applicability of the model varied according to policy area. As found in other studies, little variation was present to explain in the defense discretionary category. In the aggregate foreign aid category, variation is present as Congress usually reduces presidential requests of foreign aid. However, these reductions were apparent across party affiliations and changing economic circumstances. In the domestic discretionary category, the model revealed the significance of the presidential approval variable, the divided government variable, the percentage of mandatory spending, and the change in unemployment variable in the hypothesized directions. Since presidents may attempt to use the budget to further their political fortunes, the significance of the party and popularity variables is not surprising. The significance of the mandatory spending variable may indicate that as the percentage of entitlement spending increases, the potential for conflict in the discretionary side of the budget also increases. The significance of the unemployment change variable demonstrates that changing economic conditions may produce larger differences between the President and Congress.

Testing the model on the domestic discretionary program level offered mixed results. For certain programs that were either controversial because of their policy content or because a program offered public works money, variables such as presidential popularity, divided government, congressional unity, and mandatory spending were significant. In other programs, the model was not applicable. This analysis points to the

need for agency specific independent variables to explain some of the variation on the program level.

Pooled time series analysis of the 29 programs examined helped to confirm the findings of presidential discretionary budgetary success at the program level as a form of trench warfare. For particular programs, presidents seemingly call upon levers of influence when needed. Thus, presidents may view certain programs as more important than others and use their limited political capital to fight for these programs.

As this study is being written, a central focus of political analysis and observation in the United States is on the federal budget and the differences between the President and Congress in formulating a budget. The variables examined in this study seemingly have taken center stage in the debate in Washington D.C. over spending and taxing priorities. With low approval ratings for most of his term, President Clinton must contend with a Congress controlled by the opposite party. The Republicans have displayed solid party unity especially in the House while his own party has been divided. Moreover, the overall debate on the budget is concentrating on the amount of mandatory spending in the budget such as for Medicare and Medicaid. On the program level, particular areas that are important to the President such as Americorps and grants for 100,00 police officers nationwide are under attack in Congress. The model developed in this study would predict a highly conflictual budgetary process with a low rate of presidential success. The future will determine the success of these predictions. More importantly, the future also demands that political scientists continue to observe and develop models to explain the institutional struggle between Congress and the President

over the federal budget since this debate will shape American politics well into the next century.

APPENDIX

For the aggregate totals, the final fiscal year totals were employed as part of the measure to determine presidential budgetary success. The final totals automatically include supplemental appropriations and rescissions. The inclusion of supplementals should not substantially affect the findings for the aggregate totals since supplementals accounted for .02 percent of all discretionary budget authority in the 1980s (Congressional Budget Office, 1990). However, supplementals could substantially alter the findings for individual programs. Accordingly, a measure for presidential budgetary success on the program level will concentrate on success before supplementals which is included in chapters 6 and 7. Requests for rescissions are for programs that normally are not part of the President's original budget so no adjustment is needed.

On the aggregate level, adjustments were made to the President's requests when major supplementals were requested. Supplementals are separated into four major categories: Federal Pay Raises, Providing for Appropriations for Late Authorization, Changes in Existing Legislation, and New Legislation (Congressional Budget Office, 1981). The President's budget provides for military and civilian pay raises usually at low level of increase. Appropriations for reauthorizations are generally part of the original budget plan but have not been enacted due to delays in Congress. Almost all appropriations for new legislation proposed by the President are included in the President's original proposal. Generally supplemental appropriations for existing legislation occur due to changes in the economy that mandate more spending for entitlement spending. Thus, the only adjustments needed for the discretionary data for

supplementals on the aggregate level to reflect the President's priorities are for changes in existing legislation and new legislation that were not included in the President's budget. These presidential requests are usually for emergencies such as natural disasters, economic problems, and international emergencies. The following supplementals have been added to presidential requests because they meet this emergency standard: FY 1957 Public Law 85-5 1.7 billion for the Atomic Energy Commission; FY 1958 PL 86-322 -1.2 billion for Missile Research; FY 1965 PL 88-65 - 800 million for War on Poverty; FY 1966 PL 89-809- 675 million for War on Poverty; FY 1966 PL89-818 - 700 million for Vietnam; FY 1966 PL 89-374 13.1 billion dollars for Vietnam; FY 1967 PL 90-8 - 12.2 billion for Vietnam emergency; FY 1968 PL 90-218 - 3.7 billion for Defense needs; FY 1969 PL 90-218 - 1.6 billion for Vietnam; FY 1971 PL 91-665 - 1 billion for Foreign Aid; FY 1972 PL 92-301 - 1.6 billion - Gold Revaluation; FY 1973 PL 92-353 - 1.5 billion for Tropical Storm Agnes; FY 1974 PL 93- 2.2 billion for Gold Revaluation; FY 93-605 - 3.4 billion for Defense; FY 1975 PL 93-624 1 billion for Emergency Jobs Program; FY 1976 PL 94-157 - 2.3 billion for New York City bailout; PL 94-438 - 700 thousand - Assistance for Guam - Tropical Storm; FY 1979 PL 96-38 - 1.4 billion for Egypt-Israel Peace Agreement; FY 1980 PL 96-304 - 2.5 billion Mt. St. Helens eruption; PL 98-63 - 8.7 billion for emergency supplement for International Monetary Fund; FY 1991 - PL 102-28 - 623 billion for Atomic Energy Commission; FY 1992 PL 101 2.9 billion for Operation Desert Storm and 800 billion for various natural disasters; FY 1993 PL 102-302 - 1 billion for Los Angeles riots.

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